5c per copy

SOCIAL JUSTICE

Father Coughlin's Weekly Review

Produce For Use At a Fair Profit

Volume III No. 19 | Royal Oak, Michigan | May 10, 1937

Roosevelt To Seek Third Term in 1940

Dole 'Kitty' Can Buy Lot of 'Support'

WASHINGTON, D. C.—The president of the United States has found that the philosophy of the first great American money changer, Alexander Hamilton, can be applied with quite excellent results to modern politics.

Hamilton, in one of his soul-baring moments, stated:

"In the course of human nature, a power over a man's subsistence amounts to a power over his will."

And so it is today under the so-called "higher life" of the New Deal.

President Roosevelt has no intention of relinquishing his policy of buying support through relief disbursements.

Don't be misled by preachments to Congress about economy. There is willingness to balance the budget only insofar as the balancing doesn't interfere with the dole-for-vote operation.

It is quite generally believed that the president and Mr. Hopkins, custodian of most of the dole money, will have $1,500,000,000 for relief expenditures in the next fiscal year if Congress approves the bill for that amount.

That assumption is about 60 per cent wrong.

Actually, the administration will have about $3,736,000,000 for relief spending.

Where will the extra $2,236-millions come from?

We'll tell you.

It is camouflaged very adroitly in the revised budget of the president.

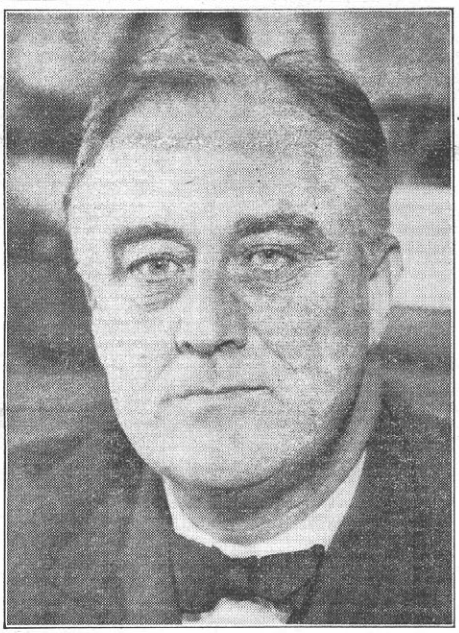
Mr. Roosevelt has shifted to "permanent" appropriations in his new budget most of the relief load carried formerly as "emergency" items.

General public works	$440,000,000
C.C.C.	350,000,000
Old age pensions for states	540,000,000
Social security payments	286,000,000
P.W.A. revolving fund	300,000,000
Total	$1,916,000,000

Add to this figure the $320,-000,000 already appropriated by Congress for next year's relief, and you have $3,736,-000,000 which Mr. Roosevelt may use for political relief spending.

This does not include the appropriation of $500-million provided for soil conservation benefits to farmers. Neither does it include other millions made available through New Deal lending agencies.

Would Run Again



"My great ambition on January 20, 1941, is to turn over this desk and chair in the White House to my successor, whoever he may be, with the assurance that I am at the same time turning over to him as a president a nation intact, a nation at peace, a nation prosperous, a nation clear in its knowledge of what powers it has to serve its own citizens. I do not want to leave it to my successor in the condition in which Buchanan left it to Lincoln."—President Roosevelt at Victory dinner.

Social Justice Presents

Father Coughlin's "Indicator"	Page 2
Editorials; Eyes and Ears	Page 4
A Page of Congressional Recordings	Page 5
Court Plan Invades State Rights	Pages 8-9
"Know Social Justice" Contest	Page 14
Story of Co-ops in United States	Page 6
Farm Mortgage Rate Extended	Page 11
Senator Thomas Writes President	Page 16
The People Speak	Page 13

Next 3 Years Not Enough to Finish New Deal Job

From an unnamed spokesman high in the councils of the New Deal it is disclosed that President Roosevelt, throwing aside all tradition, **has decided to seek re-election for a third term in 1940.**

Such startling information demanded substantiation. When pressed for it, the nationally known New Dealer was content to remark:

"Mr. Roosevelt has already said that the powers which Congress has entrusted to him **would be most dangerous if allowed to fall into the hands of a weaker president."**

Evidently realizing that the goal of the New Deal cannot be achieved before 1942, the president has decided to run for re-election in order to safeguard the powers entrusted to him and to accomplish the objectives of social regeneration which he set out to get done in 1932.

Had Voiced Own Hope to Retire

This incredible announcement was immediately challenged as preposterous. The prominent New Dealer was reminded that in his Victory dinner speech of recent presentation the president had stated that he was looking forward eagerly to retirement upon the completion of his arduous task.

The SOCIAL JUSTICE informant responded by pointout out that the president had actually said: **"when I retire I wish to leave a nation intact, at peace and prosperous, a nation clear in its knowledge of what powers it has to serve its own citizens."**

Judging from the administration's inability to balance the budget, to break the back of unemployment, or to regulate the purchasing power of the dollar, it is highly probable that 1940 will demand his holding onto the reins for four years longer if he is to complete the task of leaving a nation "at peace and prosperous."

Despite precedent and tradition, then, and despite his own personal feeling, Mr. Roosevelt has determined to sacrifice his own leisure to carry on for the entire program of the New Deal.

Unfinished Task Demands Someone

Our informant explained: Mr. Roosevelt is a determined man. If he cannot fulfill his ambition by 1940 he will not turn over the unfinished task until that ambition will have been accomplished.

As an astute politician, it would be imprudent for the president to make a de facto announcement of his 1940 plans at this moment. Following the gaining of his immediate objective—control of the Supreme Court—would be an excellent moment for him and his ardent supporters to surge ahead.

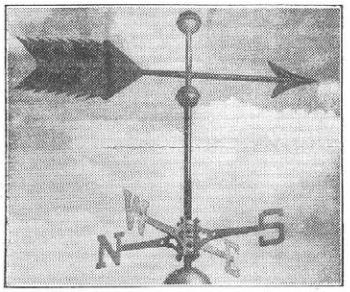
Equally, if the Senate should defeat the president's plan to pack the Court, the time will be opportune for these New Dealers to seek to turn the people's wrath upon the Senate and attempt to make this very defeat serve the purposes of a third-term boom. "We the peepul" will be told that the president could not achieve recovery in his first term because of the Supreme Court; that he could not rejuvenate the Court in his second term because of the Senate; but that, given a third term mandate, he might abolish both.

Constitution's Silence Useful

The fundamental and stubborn fact in all the high New Deal strategy encountered about Washington is that **the groundwork is being laid for that third term candidacy.** The Supreme Court issue is merely part and parcel of the program. Indeed, the administration is using the very silence of the Constitution, not alone for the Court battle but for the bigger battle three years hence.

The Constitution, as the president has pointed out, is silent on the number of jus-

(Continued on Page 10)



THE INDICATOR

By Father Coughlin

THE Wagner Labor Act was put into operation for the first time at the Packard Motor Corporation in Detroit. By virtue of this Act factory laborers are permitted to vote and, thereby, select a union to represent them in collective bargaining.

As a result of the balloting, the Packard workers have chosen the C. I. O. to be the sole bargaining agency at that factory. Their decision was overwhelming by a majority of 4 to 1.

* * *

Up to date the C. I. O. has conducted strikes in practically all the motor factories save the Ford Corporation. In no instance has this organization demanded any more than a 5 or 10 cent raise per hour for the workers.

* * *

Be it repeated that SOCIAL JUSTICE stands today, as of yesterday, on the principle that factory workers have a God-given right to organize and bargain collectively. Nevertheless, while that principle is upheld, SOCIAL JUSTICE continues to differ with the practical objectives of the C. I. O.

* * *

What is the main difference?

First, C. I. O-ism is unsound in its 5 and 10 cent objective as long as it is satisfied with merely demanding an hourly increase in wages. The leaders of the C. I. O. fail to perceive that as speedily as wages are increased for the laborer the cost of living is likewise increased by those who manipulate prices. The result of this means that the factory worker gets more money in his pay envelope but pays out more money to the grocer, the butcher, the clothier and the landlord. **At the end of the year he is no better off than he was at the beginning.** He simply had the fun of handling more money and getting less for it.

* * *

THE principal commodity (other than labor) which enters into the fabrication of a motor car is steel. Myron Taylor, the chief of the United States Steel Corporation came to terms with John L. Lewis at the suggestion of Mr. Roosevelt and agreed to raise the wages of steel workers 5 and 10 cents an hour. The following week Myron Taylor advanced the price of steel per ton from $3 to $8.

Although Packard, General Motors, Ford and other motor manufacturers already had contracted for most of the steel which they will use the next six months for their motor cars, soon they will be forced to pay from $3 to $8 a ton more for the steel entering into their products beginning next August and September. At that moment sound economics will compel them to add a few dollars to the sale price of their cars. Next year when the factory workers will buy new cars they will discover that the profit they made from the 5 and 10 cents an hour increase in wages will be consumed in the price of this one purchase.

* * *

SOCIAL JUSTICE teaches that the laboring men should not only bargain for higher wages which they deserve but that **they should unite to demand of Congress the regulation of the purchasing power of the dollar.** Labor will never gain economic freedom until the wages earned by labor afford him and his family a decent livelihood. Bargaining for a 5 or 10 cent hourly wage is sheer horse play on the part of the leaders of labor unless these same leaders are intelligent enough to bargain for an honest dollar.

* * *

The most important fact related to the Wagner Labor Act and to the Packard workers' election indicates, as was said more than a year ago, that labor is in the saddle. Today the factory worker is astride the horse of government. Who holds the reins? Certainly the laborers did not elect John Lewis, nor will John Lewis and his conferers permit the laborers to vote for any of the high officers simply because John Lewis does not believe in democracy. That is unimportant for the time being.

It is of paramount importance, however, to consider what Henry Ford said. Recently he expressed the view that the 5 and 10 cent labor leaders are working hand-in-glove with the international bankers. It is his opinion, and it has been our opinion for years, that the private manufacturers and regulators of money are the invisible hands holding the reins and regulating the horse of government.

Meanwhile, these behind-the-scene rulers are soothing the aroused working men of America by permitting them to win empty victories until the proper moment will arrive for the war drums to beat and the bugles to blow. Meanwhile, the international bankers regulate the purchasing power of the dollar. Meanwhile, they are spending billions upon billions of borrowed dollars for battleships and shrapnel. Meanwhile, this generation of fathers **is passing the buck of borrowed prosperity on to their sons!**

* * *

EVEN the dumbest factory worker now knows that 95 per cent of all the money existing is debt money, or credit money. It is not hard cash or wealth money. It only represents real debts.

Whenever prosperity comes men begin to pay their debts. When a considerable amount of all our debts will have been paid, it means that a considerable amount of the 95 per cent of the check book money, or debt money, will cease to exist. In order to get more money back into circulation, more debts must be created. The surest way to create great debts is to start a great war. Consequently, the so-called cycle of prosperity and depressions is nothing more than a cycle of paying debts and creating debts.

* * *

When the international bankers manufacture money they simply do it with the tools of a fountain pen and a piece of paper. When the workers in the factory obtain money they do it with the tools of machinery and by the sweat of their brow.

* * *

Who denies these assertions and can substantiate their denials with proof? No one!

Nevertheless, the working class of America, satisfied with today's full dinner pail, does not care about the future. One would insult the intelligence of the ordinary worker to say that he did not care about his boy. Nevertheless, the workers of America are preparing to build up bigger and better debts for their children. The present generation of factory men are content to pay 1 out of every 3 earned dollars in invisible taxation to support the debts of the last war. Before these debts will have been paid the next war will begin. As an aftermath their children will pay 2 out of every 3 earned dollars to the international bankers who own the debts. A second generation hence will pay 3 out of every 3 earned dollars after the third war. At the most, we are only two wars away from final disaster to our present civilization.

* * *

DID any body hear the word Communism before? One does not have to worry about the coming of Communism. It is as inevitable as the rising of the morning sun, three generations hence. It is a mathematical certainty as long as we continue to permit a handful of international bankers to delude and deceive working men while they are engaged in manufacturing debts and issuing that kind of money into circulation through the agency of government borrowing and of wars.

* * *

Coming back to the Packard vote, one can hardly blame the workers for joining some kind of a union. Nor can one condemn the workers for following the leadership of John L. Lewis unless he also condemns the "intelligent" modern capitalists who conduct the affairs of Packard industry. For years Alvan Macauley, the president of the Packard Motor Corporation, was one of the staunchest advocates of the private creation of money. He played the game of the international bankers as did 90 per cent of the other motor magnates. Innocently, unconsciously, yet certainly he helped to exploit labor because of his ignorance of the basic principle of financial economics. Tomorrow Alvan Macauley and his fellow motor magnates can prepare to be exploited by the C. I. O. and all other 5 and 10 cent unions who are not intelligent enough to demand that Congress coin and regulate the money used in this nation.

* * *

What is the solution to our difficulty? There is only one, economically speaking: Let industry and labor join hands in destroying the money racketeers by demanding that Congress coin and regulate the value of money and the purchasing power of the dollar.

Capital needs labor and labor needs capital more today than ever before.

It's an Old English Custom ---Packing the High Court

By Louis B. Ward

WHEN James of England, the first of the Stuart kings, found in his chief justice, Sir Edward Coke, a strong and principled man who cared more for a government of laws than a government of men, James deliberately removed Sir Edward Coke from his place in the King's Council and then started to degrade the peerage of England by packing the House of Lords—the highest court of England.

History records that at the accession of James I the House of Lords had about 60 lay members. During his reign James added 45 new lords. His successor, Charles I, added 56.

Charles II, third of the Stuart kings, tossed in 48 new lords. So in the administrations of the first three Stuarts, the vicious principle of packing the court resulted in an increase from 60 to 209 lay peers.

The question arises—**"Why did James I Pack the House of Lords?"** In any elementary course in English history the pupils of the American schools learn that James I was a firm believer in the doctrine of the "Divine Right of Kings." What mattered that seven centuries of struggle had developed a measure of constitutional government or government by law? James I declared, **"There is a divinity that doth hedge a king."** What mattered that James I was the sponsor of that celebrated dictum that resulted in the Puritan settlement of the American colonies? For of the Puritan he said, "They will conform or I will harry them out of the land." And he did "harry." **Our colonies were settled because the Stuarts packed the courts and threw the constitution into the discard.**

King Put Fear Into Hearts of Peers

James I refused to recognize that it had been the habit of the people of England to safeguard their rights every time during the centuries of past history when absolutism had threatened them.

James I insisted that it was his inherent right to be consulted before the courts rendered decisions in important cases. Today we call that principal "Judicial Reform," for under present proposals the government is asking the right of intervention when courts are hearing and determining questions involving the constitutionality of laws.

Sir Edward Coke Notable Exception

In the days of James I, good judges were as adamant as they have been throughout history. Openly they repudiated the claim of the King to be consulted as an innovation unknown to the law. James had been raised in Scotland, where the sword of justice had become the weapon of royalty. He called in the judges and roundly abused them and lectured them as though they were schoolboys.

History tells us they fell on their knees and pledged eternal obedience to the royal will. One, however, refused to fall on his knees or to pledge any obedience whatsoever. **His name was Sir Edward Coke, Chief Justice of England, member, of course, of the King's Council.**

Sir Edward Coke contributed more to sound constitutional government than all four of the Stuarts did with their "Divine Right of King." For a long time he avoided the occasions on which he might meet James I, but finally, obedient to the summons, he listened to the same type of abuse his associates received. Then he answered in the inspiring words which might well be used today: **"When any case comes before me I will act as it becomes a judge to act."**

Coke was at once dismissed from the King's Council and, continuing his independence on the bench, in November of 1616, he was deprived of his Chief Justiceship.

Move Signaled End of Independence

In that far off day, "tinkering with the judiciary" meant far more than removal of Sir Edward Coke, or the creating of the precedent in packing the House of Lords. **It meant that the judges were constantly to be called into conference with the chief executive to learn his royal will and, of course, it also meant that the royal will would henceforth be enforced by the judges.**

The independent judiciary in England died the day Coke was dismissed. Following the degrading of the judiciary from that time on the struggle was between the executive and the legislative branches, culminating, as all men know, with the supremacy of the legislative branch and the degrading of the executive to nothingness.

The judges became, in the meantime, mere mouthpieces of the King, shorn of responsibility, divorced from independence and separated from precedent, from custom and from law. Henceforth they carried out the policies of the executive first, and later, with the rise of legislative supremacy, they carried out the policies of parliament.

Principle Carried Into Colonial Law

Under the colonial system, the principle of Judicial Review of legislative acts was always recognized. . . .

No specific clause ever gave the Supreme Court of the United States the power to declare a law void if repugnant to the Constitution. The doctrine had been asserted, it was never contradicted, it had no one opposed to it; no one to deny it; the issue was never raised. From Coke down it was the inherent right of the judiciary to recognize that the oath of office is enough, that when the Constitution declares that **"This Constitution and the laws of the United States which shall be made, under the authority of the United States, shall be the supreme law of the land, the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding,"** it is assumed that executive, legislator and the judges who swear before God to uphold the Constitution, all will follow the tradition of the centuries and recognize the principle that an Act against the Constitution is void.

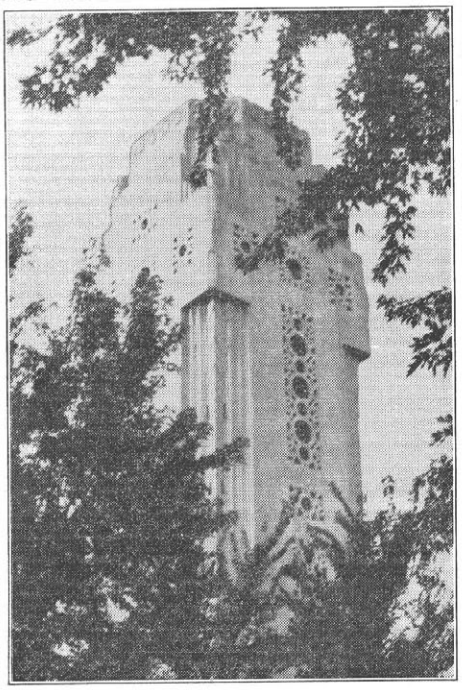
This is the contribution of Chief Justice Sir Edward Coke, who, three hundred years ago, stated—"When a case comes before me I will act as it becomes a judge to act."

This is the principle of an independent judiciary that can only be destroyed by packing the court as James I, Charles I and Charles II packed the House of Lords of England.

SOCIAL JUSTICE herewith presents the first instalment of Louis B. Ward's testimony before the judiciary committee of the United States Senate attacking the president's court packing plan.

Mr. Ward was a U. S. senatorial candidate in the Democratic primaries in Michigan, on a platform of the 16 principles of Social Justice, and was beaten in one of the closest races in the country. In the campaign, Mr. Ward, who had never previously been a candidate for public office, promised the people of Michigan that his interest in public affairs **would continue irrespective of the election results.**

Mr. Ward's testimony before the Senate committee will be presented serially and will be followed closely by every reader of SOCIAL JUSTICE. This week's instalment is devoted to the English background of the principle of Judicial Review, or the right of the court to declare laws unconstitutional.



Record Is Set by Congress for Inactivity

WASHINGTON, D. C.—If the 75th Congress isn't known to future generations as the "sit-down" Congress it won't be the fault of administration leaders.

The two houses have been in session about four months and have passed in that time the staggering total of—count them—four major legislative bills.

The measures adopted are:

Reconstruction Finance Corp. extension bill; Federal Reserve extension; Reciprocal Trade Treaty extension, and the Guffey-Vinson coal bill.

Reason for this inactivity: the president's program of new laws at this session pivots on the fate of the court reorganization plan.

The administration has not been idle, of course, in the matter of putting through bills appropriating money for New Deal spending.

Two major appropriation measures — First Deficiency and Navy appropriation—have passed both houses and nine others have been introduced. Seven of these nine have passed the House, four have been adopted by the Senate.

No major legislation has been recommended by the administration with the exception of the court measure. New Dealers know that radical farm and labor legislation, planned for introduction, is sure to be declared invalid unless the court is stuffed.

June 20 to Be Buffalo Day at The Shrine of the Little Flower

Father Coughlin extends an invitation to all his friends in the city of Buffalo to visit the Shrine on Sunday, June 20.

A personal welcome will be extended to the entire group by Father Coughlin who will preach the sermon for that day and explain the symbolism in the church.

The city of Buffalo has always responded whole heartily to the work of Father Coughlin, and from the many letters already received there will be many visitors from Buffalo on that day.

All tourist groups are urged to arrive in Royal Oak in time to take part in solemn services conducted by Father Coughlin and which begin at 10 a. m.

Railroads, steamship companies and travel agencies are co-operating. Many will drive their own cars. Anyone desiring more information about the tours is asked to write to Father Coughlin.

Watch Your Subscription!

If you subscribed to SOCIAL JUSTICE in April, 1936, and did not renew your subscription, **THIS paper is the last one you will receive.** If you are a May subscriber, it is important to you to **ACT TODAY.** It requires three weeks to restore you to the mailing list and, in the meantime, you will miss some of the best editions we have ever put out. Use this coupon NOW!

Social Justice Publishing Co.
Box 150, Royal Oak, Michigan.

New Subscription ☐
Renewal ☐

Gentlemen:

Please enter my subscription for SOCIAL JUSTICE, to begin with the issue dated.....I enclose.....in payment therefore ($2 a year).

My address is:

.....
(Name)

.....
(St. or RFD)

....
(City) **(State)**

SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

Published by The Social Justice Publishing Co.

May 10, 1937 162 Volume III No. 19

Copyrighted, 1936, by The Social Justice Publishing Company; published weekly; publication and editorial office, Box 150, Royal Oak, Michigan. Subscription price, United States and possessions, $2.00 per year. Unless otherwise directed; we begin all subscriptions with the current issue. Entered as second class matter, March 12, 1936, at the Post Office at Royal Oak, Michigan, under the act of March 3, 1879.

PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

On the President's Chin

FOR the first time in history, as far as we know, a president of the United States has been publicly charged with "bribing members of Congress to get their votes."

Six years ago, before the New Deal hysteria paralyzed the intelligence and the honesty of the nation, such an accusation would have electrified the people into a clamorous demand for complete, public investigation.

What has happened to the great American people since the depression descended upon them? Have they completely lost their sense of moral values?

In the last two issues of SOCIAL JUSTICE attention was directed to recent public charges by Paul Mallon and Senator Bennett Champ Clark that the **executve department** of the government has been using public money in attempting to induce Senators and voters to "fix" the Supreme Court.

Now comes a charge by Mr. Mallon, published in leading daily papers all over the country, that attributes the "bargain" to the president himself.

Here are the facts:

There is a vacancy in the Federal Communications Commission of a position as secretary, which pays $7,500 per year—a choice political plum.

Jim Farley had designated an appointee. The news was already abroad that Farley's man had the job.

James Roosevelt, the president's son, phoned Chairman Prall at the last moment and told him that the president wanted another man. Prall was "in the middle."

He tried to dodge his dilemma by getting Farley's consent to the change. Farley was out of the city. He rushed over to the White House to see Jimmie Roosevelt.

Jimmie delivered an ultimatum. We quote Paul Mallon:

"Jimmie was adamant. Papa said the appointment must be held up and they would just have to wait until they could get hold of Farley.

"Furthermore, Papa said (and this is what should have convinced Mr. Prall or any other reasonable man of the seriousness of the situation)—**Papa said the Iowa delegation in the House was going to vote for his Supreme Court program and, therefore, their candidate for the job must be taken care of."**

In the name of the morality of government, such charges should not go unheeded.

The Gentleman From Iowa?

WHAT about the gentlemen from Iowa? Are they going to call this newspaper columnist to account —or are they going to let his charge, that they have sold their votes to the president for a choice political job, stand as a permanent cloud of suspicion over their good names?

There are five Democratic Congressmen from Iowa (we assume that Mr. Mallon referred only to the Democratic members); three of them are old members who have always enjoyed the respect and confidence of their colleagues. They are Hon. Edward C. Eicher, Hon. Fred Biermann, Hon. Otha D. Wearin.

There are two new Democratic members from Iowa. They have their reputations as public servants yet to make. These are Hon. William S. Jacobsen and Hon. Vincent F. Harrington.

At least one of these Congressmen has been vocal in his support of the president's plan to add six members to the Supreme Court. This gentleman is an able lawyer and speaks powerfully when he addresses himself to any subject pertaining to the law.

He has more than a personal reason for clearing himself of the stigma that will necessarily attach to his reputation unless this news-column blot is removed from his name.

He has the additional responsibility of helping to clear the cause, to which he is no doubt sincerely and honestly devoted, from the suspicion which has been cast upon it.

There is no longer the possibility for the president's supporters to remain silent. The charges, which have been made against the administration and, in effect, against every supporter of the Court-packing bill in both houses of Congress, are too serous to be passed over.

They are direct charges, publicly pronounced and, as we have said before, involve what any straight-thinking citizen must consider nothing less than high treason.

Corruption in government—and the administration and its supporters have been accused of the most foul and indefensible kind of corruption—destroys government as surely as cancer destroys human life. It is the sort of thing that turns sincere citizens into flaming crusaders for uncompromising reform.

It is anticipated that at last there will be a showdown on this grave matter.

No doubt there will be an outraged and clamorous cry for vindication as soon as the gentlemen from Iowa learn what the newspaper columns are saying about them.

If there isn't, our Iowa readers should organize a representative public committee **to demand an explanation.**

Safeguarding the Minorities

THE Constitution of the United States was written, among other things, to protect minorities. Recently, Sidney Hillman, the New York Jewish labor leader, waxed vociferous in demanding of a certain United States Senator his support of the president in scuttling the Supreme Court.

The honest Senator turned upon Hillman and said: "I thought you were more of a diplomat, Sidney. Your Jewish race is a minority. You wish to kick the props from under the tent which protects your people from the hot sun of prejudice. Go ahead and do it, and your Jewish race will meet the same fate in America as it did in Germany. If you are smart, and I think you are, hold by the Constitution and you will be contributing more for the salvation of the Jewish people than all the rabbis in the country put together."

Radicals are anxious to destroy the Bill of Rights and the Constitution, forgetting that Mr. Roosevelt may be succeeded by another "Tom Hefflin" exponent of anti-Jewish, anti-Catholic and anti-Negro prejudice.

EYES and EARS

By Mark Meechan

NECESSITY forces politicians to do strange things. As it begins to dawn on more and more work-a-day people that the government is inviting quick and deadly disaster by continuing to spend each year millions or billions more than the government receives, the New Deal beguilers find it necessary to appear to be interested in economy.

Under the New Deal the dusty old routine of bookkeeping long ago was made a magic art.

The first and obvious opportunity for public deception was the great and all-pervading crisis, in the name of which literally anything could be done.

That suggested the first step in accounting legerdemain. The budget was sectionalized. Expenditures were entered on the books as emergency expenditures or regular expenditures.

The people were subtly inveigled into believing that emergency expenditures, somehow, were not really expenditures at all—at any rate, they should be looked at lightly. The very thought of a growing debt in connection with them was "defeatism" (fiscal, not legal).

Then, after the necessity of spending billions to get re-elected had passed, the New Dealers were forced to back down on the emergency alibi. Had they not campaigned on the theme, "Happy days are here again"?

So two new sleight-of-hand tricks were worked out to embellish governmental bookkeeping.

President Roosevelt conceived the idea of threatening a new crisis, if his every whim and wish was not acceded to. He used it in one of his fireside chats against the opponents of his Supreme Court fixing scheme. But as it applies to the submerged "third of the nation" it is the foundation for continued spending while the public sleeps.

That little invention of the president's might be called an excursion into futuristic bookkeeping. It is an extremely ingenious plan of insurance for future spending.

The result seems to be that the president has spent us out of one crisis and, just as we are breathing easily and getting ready to enjoy "the more abundant life," we find that behind such New Deal budgetary conceits as the "layman's" balance and the "technical" balance, he is in fact spending us into a Roosevelt depression.

* * *

Meanwhile the very practical need arose to explain

(Continued on Page 10)

Congressional Debts Are Responsibility of Chief Executive

By Hon. Charles A. Plumley
Representative from Vermont

I listened attentively to the reading of the president's message. In view of what has actually happened since I listened to the last one preceding, as against that so freely predicated and prophesied, since the only abundance is that of obligation to pay, I am constrained to ask, Does the president really know what he is talking about this time? The tax bill, he said, would produce the necessary revenue to balance the budget. It did not.

He is responsible for that bill, and if the truth were known, it was left at the door of the Ways and Means Committee with instructions. I doubt if Mr. Doughton or Mr. Vinson or Senator Harrison had any idea the bill would be what the president claimed for it. Now they are left out on a limb. The president inferentially in his message disowns his brain child, but its parentage is susceptible of positive proof.

He estimated so-called regular expenditures at $4½-billions, or thereabouts, and we now know that they will approximate nearer $5½-billions. He is only half a billion or 500-million under what it is going to cost to run this government under the plan for expenditures outlined in the budget for 1937, and the budget will be $1,500,000,000 more than he told us in January. If he knew what it was going to be, why did he not say so?

There is one thing that we know and he knows, and that this is his administration, for which he is to be held responsible, because never in the history of the country was there a man who assumed such dictatorial powers with respect to governmental affairs as he has. He has increased the national debt from $20,937,350,964, as it was on March 4, 1933, to $34,837,471,252.58 as of yesterday. He is still going strong. We have had continuous proposals from him for increasing the expenditure of money. Among other things he has advocated the expenditure of a billion dollars for the farm-tenant bill, a half a billion dollars for the so-called flood-control, another half a billion dollars for the youth administration, $1,051,000,000 for the Wagner housing bill, $400-million for the permanent C. C. C., which is an annual cost, **a total of over $3-billion, recommendations for the expenditure of which came down from the White House.** You want to think of that when you think of the president's message.

If and when you vote for the expenditure of a cent of money, the absolute necessity for which cannot be incontrovertibly demonstrated to you, you are voting for a sales tax and a lower-bracketed income tax—the only two sources of revenue left. The people ought to know this.

I know what I am talking about when I say to you that credit inflation and higher living costs are already here and unpredictable and uncontrolled inflation will follow unless we take the bits in our mouth and run the business of the government headed in an absolutely opposite direction from that in which we are now being driven.

Budget Leaves Unemployment Still Unsolved

By Hon. Joseph C. O'Mahoney
Senator from Wyoming

In the statement of the American Federation of Labor it appears that the estimated number of persons unemployed in the United States in February, 1937, was 9,731,575, and that in 1931 the average number of unemployed persons was 8,738,000; in other words, that there are today, after the expiration of six years, approximately 1,000,000 more unemployed persons than there were in 1931. The estimates include those who are at work at security wages or others on the government relief projects.

The appropriation which the president recommends in his message—$1,500-million for work relief at $800 per annum per employed person—will take care of only 1,870,000 individuals. It is estimated that on WPA rolls today there are 2,115,000 persons, and that all the other agencies employ 204,000, making a total of 2,319,999 persons who are receiving the miserable security wage from the government.

Certainly it requires no argument to prove that we cannot begin to think of building a permanent prosperity in the United States **while we are employing 2,300,000 persons at the miserable security wage of $800 a year.** In the families of each one of these 2,300,000 persons now on security wages there are on the average, I am told, from one to three persons who are not employed at all.

Certainly if by relief appropriation we make provision for 500,000 fewer persons than are now employed by the government at the security wage and approximately 1,000,000 persons fewer than are now employed by the government in all agencies, it is manifest that we are not solving the unemployment problem. If the country is to realize its possibilities—with all the great natural wealth stored within our boundaries, with all the opportunity to produce, with all the demand, with all the need, with all the consuming power of 128-million people—we must attack this problem from some other angle.

President Gives New Analysis Of Revenues

By Hon. Franklin D. Roosevelt
President of United States in Message to Congress

The analysis of returns received in March, 1937, under the new tax law indicates that income taxes will produce $267,200,000 less than the formal estimate for the fiscal year 1937. The receipts for the first nine months of this fiscal year indicate that other revenues will be $337-million less than the estimate.

Information thus far available indicates that the 1937 expenditures will probably be $295-million below the estimate of last January. The amount of the net deficit for the fiscal year 1937 is estimated at $2,557-million, an increase of $309-million over the January estimate.

For the fiscal year 1938 it is now believed that receipts will be $387,600,000 less than was anticipated last January, the reduction of $410-million in the estimate of income taxes being slightly offset by increases in other receipts.

The revised estimates of receipts and expenditures for the fiscal year 1938 as here presented indicate an estimated net deficit of $418-million. There is included in the estimates of expenditures the $1,500-million for work relief hereinafter recommended.

I recognize the need for flood prevention and control, but it should be realized that to finance such large immediate expenditures as are contemplated by the majority of the flood-control bills now pending in the Congress would impose an unjustifiable burden upon the federal treasury.

Think of Taxpayer In Planning More Government Costs

By Hon. John Taber
Representative from New York

The appropriation bills will probably pass through Congress about June 15, that is, the regular bills and the deficiency bill on which hearings are now being held. From that date on there will be no business before Congress except propaganda legislation. Propaganda legislation costs money. The very least it can cost the Treasury of the United States is from $100-million to $200-million a week in legislation that will be passed after the appropriation bills are disposed of on June 15.

Why is Congress going to be held in session after that date? Because, and because alone, the president of the United States has submitted to the Congress, and insisted upon their passage, two notorious bills.

First, to pack the Supreme Court.

Second, the bill to reorganize the government and **to do away with an independent audit of government expenditures** so that a dictatorship can be brought about.

If Congress is held in session to September 1 there will be an additional burden placed on the Treasury not considered in the president's budget, of $1,225,000,000. The responsibility for this lies entirely upon the president, and upon his demand for the power of a dictator. Is it not time to stop?

Let us return relief to the states to be taken care of intelligently and honestly, get rid of the professional reliefers, who are crowding improper methods of spending the people's money onto the localities.

Let us get rid of all forms of fake before the whole country is pushed over the abyss. Let us provide for flood control in an honest way, with small dams costing a small amount of money, and not with great big dams used for power projects which are generally full of water when needed for flood control. **Let us keep education in the hands of parents of children where it belongs.** Let us reduce the cost of government in Washington not by adding to the number of government employes and bureaucrats destroying their efficiency, but **by trying to save a dollar for the taxpayer.**

Capital and Labor Need Co-operation

By Hon. C. Arthur Anderson
Representative from Missouri

The one great object that is the main cause and real reason of the sit-down situation is that labor has lost confidence in capital and capital has also lost faith in labor, and both are walking hand in hand with fear and uncertainty.

I have seen laboring men and their families go hungry day in and day out. I have seen them locked out of mills and factories, and in some cases have seen their families ejected from company-owned homes. I have seen them slugged and beaten unmercifully at the hands of paid thugs and strike-breakers when the strikers were carrying on a legal strike and picketing in an orderly manner.

I have also seen strikes that I thought were unjustifiable, in some cases where working conditions were excellent and labor was paid a fair return for its labor, and as a matter of fact, laborers themselves were satisfied, but were **led and inspired by worthless agitators, whose interest in labor was not foremost or paramount but second only to their own financial gain and greed for power.**

I am of the opinion that capital on the whole, desires to pay a living, decent wage to labor, and labor is entitled to more than the bare necessities of life and a God-given right to enjoy a freedom that our forefathers fought for that we, all of the people, should enjoy without class or creed distinction.

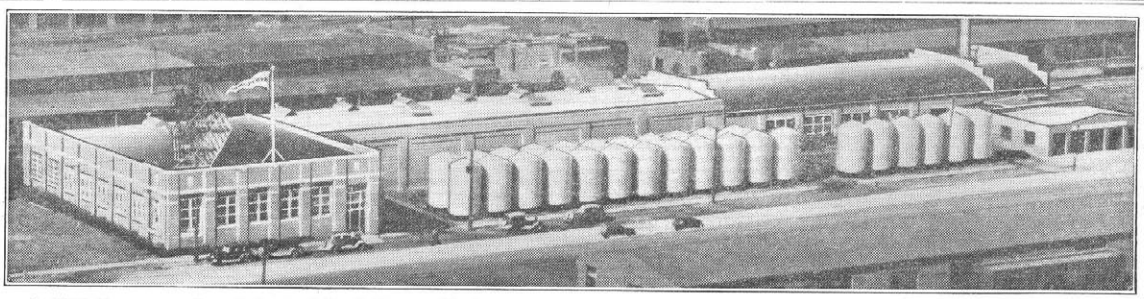
Communists Control New York City Relief

By Hon. Hamilton Fish
Representative from New York

The relief funds should be turned over to the states. They already have organizations to handle these funds. The overhead is now being duplicated. If we turned it over to the states, it would be better handled because of decentralization and we would save large sums of money on overhead expenditures. What we complain about is not the sum of money, $1,500-million, but the maladministration of the relief, that too much money goes on overhead, and too little to relieve human misery and the forgotten man.

Mr. Victor Ridder, who was the former WPA administrator in New York City appointed by the president, recently publicly stated that the Communists, through the Workers' Alliance, controlled the distribution of all city home relief funds. He said but a short time ago, not only that relief in New York was in the hands of the Communists, but he showed that the $9-million spent every month was turned over to the Communists to build up the Communist party.

I have known that for several years. I have hesitated to speak of it, but when you find the actual former head of relief making that statement and see it published on the front page of the New York Times only two weeks ago—Red "grip on relief charged by Ridder; Communists through Workers' Alliance control $9,000,000 a month"—it is time for Congress to investigate, and to act to purge the relief rolls. The article presented actual details, that Communists hold the positions from which the relief money is dispensed; and I do not believe any member of Congress from New York City will deny it, because they do not like it a bit better than I do.



In 1935, the co-operative wholesale of North Kansas City bought this blending plant from a privately owned oil company at a bankruptcy sale.

Test of U. S. Co-Op Is Distribution

Movement Grew Out of Farmers' Desire to Solve Economic Situation and Keep Profits at Home: Spread to Cities

THE CO-OPERATIVE movement came to the United States by way of a Finnish settlement in northern Minnesota and Wisconsin. Accustomed to this type of distribution in their homeland, the Finns felt a natural inclination to organize co-ops in their new land. They regarded economic problems as requiring economic action, and looked to politicians only for political reform.

When the depression reached the midwest in 1920, the Finnish co-ops were already established. By this time the western farmers, almost ready to experiment with consumer co-operation anyway, were driven into organization by the combines of manufacturers and producers formed to check the falling prices.

The Central Co-operative Wholesale, the Finnish organization, was born in Superior, Wis., in 1917. At meeting on July 30, a $15.50 collection was taken—the initial working capital. This investment has grown to more than $200,000. During its 19 years of existence the organization has saved more than $300,000 in actual dividends and cash returns for its 130 and more member retail societies, and their 35,000 individual members. It has during these years handled $20-million worth of merchandise.

East Drains Midwest of Millions

The farmers of the middle west began to study the Finnish organization. With the mechanization of the western farms, the farmer sold more wheat and corn to buy gasoline and oil In 1929, a major oil company took out of the middle west $250-million in profits. This money went to the eastern financial centers. It came directly from the purchasing power of the west, which was being cut lower and lower as the farmer went further into debt and paid new profit tolls.

The rapid penetration by the farmers into the field of gasoline distribution is one of the most striking developments of the past decade. The western farmer saw in consumer co-operation a way to stop the drain of oil and gas profits.

A group of Minnesota farmers set up the first co-operative filling station in America. Today there are more than 2,000 of these stations scattered across the country from Pennsylvania to the Pacific Coast. Fleets of consumer-owned tank trucks are delivering gas and oil to the farms. Co-operatively these farmers own their own tank cars on the railroads. They have now in operation four large oil-blending plants turning out "Co-op" brand lubricants. They have discovered how to act as consumers to get more of the things they want by eliminating wastes in the system that brings these things to them.

Paid Back Their Own Profits

This first co-op filling station appeared in 1921. The farmers employed an attendant to serve them. They sold gasoline to themselves at the prevailing rate. But at the end of the year, they paid back to themselves that share of the income that had hitherto been collected as a profit by absentee owners. The society was one of consumers.

It represented the first move on the part of the American farmer to keep the margin of profits in the channels of purchasing power. Other retail organizations sprang up in rapid succession during the next few years. Operating in direct competition with the established oil companies, they were forced to draw closer and closer together to protect their organizations and buy at better and better prices.

As a result, the first co-operative wholesale came into being in Minnesota in 1926. It represented the coalition of a few retail co-operatives who wished to buy their gasoline by the tank car lot. This organization began without capital, the member retails paying in advance when they placed their initial orders. In 1935 this organization, the Midland Co-operative Wholesale, was mainly responsible for the figures that showed the co-operatives holding second place as state-wide distributors of gas and oil in Minnesota.

Co-ops Thrive On Competition

The pressure of the competition of the big oil companies, instead of stopping the growth of the co-operatives, drove them forward. In 1929, in North Kansas City, Mo., there was a co-operative oil wholesale. It operated as the buying agency for a few retail co-operatives. It was housed in a tiny building with storage space for 5,000 gallons of gasoline at the back door. Just up the street was the plant of a large privately-owned oil company. That year the privately-owned company had just completed a new $250,000 oil blending and storage plant.

SOCIAL JUSTICE herewith presents the fourth and final article in a series which has discussed the consumer co-operative movement in Europe and America.

The company which had been selling the co-operative its supplies of lubricating oils severed its business connections with the co-operative, because its business was too small for them to handle.

This forced the co-operatives to go into the oil business. They set up in North Kansas City the first co-operative oil-blending plant in the world. In 1935, the co-operative wholesale then serving more than 300 retail co-operatives, bought the plant of the privately-owned oil company at a bankruptcy sale. This wholesale was then doing a business of $2-million a year. It was shipping a trainload of petroleum products a day to its member retails. It was one of four such plants that had sprung up one after the other following the pioneer move by the North Kansas City group.

Six Years Bring Interstate Network

All over the west co-operative wholesales continued to spring up and play an increasingly important part in the distribution of petroleum products in rural areas. The Farmers' Union of North Dakota set up their co-operative oil wholesale in St. Paul in 1928. In six years this organization spread a network of co-operative filling stations across western Minnesota, through North Dakota into eastern Montana. In rural North Dakota it is the leading distributor of oil and gasoline. It is in second place as a state-wide distributor.

In 88 North Dakota towns in which oil co-operatives had been organized there was sold during 1934 a total of 55-million gallons of gasoline, tractor fuel and kerosene. Of this total the co-operatives sold 17-million gallons, a far bigger total than any other single company.

The average plant of the private companies that year sold an average of 98,000 gallons. The average co-operate plant sold 195,000 gallons.

The oil co-operatives grew because from the first they began to halt the march of profits out of the west to the financial centers. In one Colorado town there is an oil co-operative that is an example of what is going on throughout the west. This organization started with insignificant capital and a few members. Today it has a membership of 1,400, $14,000 in capitalization, and $100,000 in reserves. It has returned to its consumer members a total of $650,000 in patronage dividends, the profit spread that the consumers had retained for themselves and added to their purchasing power.

Credit Unions Precede City Co-ops

The development of Consumer Co-operation into the towns and cities came later. Industrial workers for the most part got their introduction to consumer co-operation by way of the credit unions. These co-operative banks, owned and controlled by the workers, functioned to break the grip of the loan shark upon the wage earners. As the credit unions grew in size and strength they began to take care of installment financing and thus to cut the costs of distribution. They showed group after group how their dollars could give them better service.

Urban groups began to follow the example of the farmers. They, too, began to set up their co-operative filling stations. While the farmer was purchasing the products of the city factories and mills through his co-operative agency, the city dwellers began to form their own co-operative organizations to reach back more directly to the primary producers so that they too might be able to buy more goods. The consumer co-ops in urban or suburban areas usually began with buying clubs, and were organized by a group of persons wishing to economize on buying necessities.

In town after town co-operative stores appeared. Along with the filling stations came coal yards and fuel oil services owned and controlled by the consumers. Allied with the development of co-operative grocery stores were the co-operative bakeries and milk distribution plants.

Co-ops Limited By Distribution Problems

In America, while the advance of consumer co-operation has been rapid and strong, it has been confined to those lines of commodities which could be handled simply and easily. The large farm supply co-operatives in the middle west, while they do a great volume of business, deal in a restricted number of commodities. Such things as feed, seed, fertilizer, gasoline and oil can be distributed by a comparatively simple form of organization.

Most of the large cities in the middle west are now hearing of

(Continued on Page 14)

The present warehouse of the Central Co-operative Wholesale of Superior, Wis. This $100,000 warehouse serves 130 retail co-ops in Wisconsin, Minnesota and northern Michigan. During 1936 it did a volume of $2,850,000 worth of business. Pictures on this page are by courtesy of the Co-operative League.

U.S. Urged to Take Lead in Debt and Arms Parley

Result Fixed Before Meet Is Tradition

By Justin Soval

American diplomats have not enjoyed notable success in the international conferences which have followed the World war.

Taking the lead of the great League of Nations advocate, Woodrow Wilson, they have striven in vain for concessions in the interest of permanent world peace from European nations. They have consistently found their efforts nullified by sharp-witted Europeans who were more concerned with the world unbalance of commerce than with the abolition of war.

Undismayed by the failure of previous efforts to get down to the root of international difficulties, European interests are again agitating for an economic and disarmament conference. The main idea seems to be an effort to jockey the United States into taking the lead.

Millions of Americans are concerned about the menaced peace of the world, and their interest during recent years has been intensified by grave uncertainty as to the fortunes of this nation in the event of another general war.

Germany's Parleys Fixed in Advance

What should this new agitation to confer with the belligerent and debt-repudiating European powers signify to the sincerely patriotic citizen of the United States?

One great European recently sounded a warning which, if they heed nothing else, should be borne in mind by every American.

Shortly after his recent trip to Belgium, where he discussed German policy with newly elected Premier Paul Van Zeeland, Dr. Hjalmar Schacht, German minister of economics and president of the Reichsbank, made a very significant observation about conferences.

He said, in effect, that European diplomats do not permit their governments to enter into the bombast of international conference **until after it has been carefully determined what the conference will be permitted to accomplish.**

Private and secret diplomacy does the negotiating beforehand, the interests of individual nations are secured in advance—then an international conference is called, if any great and idealistic world leader can be induced to call it.

Conference Held For Public Effect

The conference goes through all the motions of weighing and negotiating matters of grave importance, public opinion is whipped up to a hopeful enthusiasm by thousands of columns of impressive newsmaking. The masses are led to understand that their leaders are struggling to shape a better world for the average man. Finally, amid dramatic scenes and attended by the jubilation of foreign correspondents, **the conference solemnly agrees upon what has been cut and dried for months in advance.**

The deliberations of the conference are for public consumption. The practical benefits are for those governments who have been successful in plotting a method of getting what they want. The world may be better or worse for what has been done—that appears only after the glory of the conference is forgotten. Generally, the world is worse off, as the conferences of the past twenty years give testimony.

That, amplified so that those unskilled in diplomatic phraseology can understand it, is the tip that sage old Dr. Schacht saw fit to give America and the rest of the world.

Powers Hope To Play For Debt Dicker

Taking him at his word, we may conclude that the drive is on to inveigle the president of the United States to call an economic and disarmament conference. And, should he fall for it, what will be the result?

Probably a way out for European nations from their debt dilemma and thereby a way into the future credit of the people of the United States.

There will also be some or other pious resolutions about the limitation of armaments. The average American, if he watches the trend of events closely and remembers their significance, will find that no arms limitation agreements are ever reached (and therefore, perforce, no conference held) until France and England have completed their current programs of arming themselves sufficiently to control, with the aid of Russia, the destinies of Europe.

The way is being paved now for a conference that will have those happy results and the familiar maneuvers of the diplomats indicate that the private negotiations are well under way.

British Waiting To Know Result

There will be a period, already started, when Britain will shy away from giving encouragement to the calling of any conference which has to do with the limitation of armaments. Each discouraging statement issued from Downing Street will, however, be salted with a suggestion that only the leadership of the United States will make such a conference a real success—and it will be emphasized that no matter how deeply England might desire the improvement of the world outlook which would result from the success of an economic and disarmament conference, she cannot afford to enter into public negotiations **unless there is reasonable assurance that they will be successful.**

As a further preliminary, the British government has already suggested a willingness to open conversations that would look toward the clearing up of the war debt barrier to closer Anglo-American co-operation.

The build-up will be so intensive that should President Roosevelt weaken under the onslaught of the European agitators, this country will enter the projected conference on the spot. Should that eventually occur, the United States will be in the position of "taking the leadership" in a conference that can only be solved by a virtual wiping out of the obligations owing to this country since the war.

America Resisting All Blandishments

Officials of this government have been alert to deny any possibility of this country's taking the lead, as long as the present European tension, economic and military, is unrelaxed. In spite of that, confidential diplomats continue to find easy access to the White House. First came Walter Runciman, head of the British Board of Trade; then came Ambassador Bonnet of France; Prime Minister McKenzie and Lord Tweedsmuir of Canada.

Now the White House is preparing for the informal call in June of Premier Paul Van Zeeland of Belgium, recently designated by France and Great Britain to explore the possibilities of a closer commercial understanding between the leading nations.

Debtors who want to go deeper into debt are most persistent. President Roosevelt may be entertaining (for all the people know) very dignified international lobbyists. Will he resist their urgings that he take the leadership in trying to save Europe from itself?

Realists Face Grim War Threat

And perhaps the strangest circumstance of all is the absence of any criticism, on the part of the great democratic nations of the greatest war menace of history—the record-breaking military machine of Soviet Russia.

Only Mussolini minces no words when speaking of the great red army. Recently, when asked if the armaments of great nations were not intended for the maintenance of peace, he said:

"No! **No armaments on so great a scale can be for peace. They are for war.** The Fascists are just as solicitous for peace as anyone else, but they decline to be hypocrites. They are frank enough to admit that their armament is for the eventualities of war. The platitudinous pacifism of the so-called democracies should deceive no intelligent man. Italy is arming only because this is an imperative duty in the face of the great armaments which other nations are building up."

Before this nation enters any conference with the armed European nations, President Roosevelt should take Dr. Schacht's tip and make sure in advance that the nations of the world are unalterably committed, **not to arms limitation, but to disarmament.**

Their Imperial British Majesties

His Majesty George VI, "by the grace of God, of Great Britain, Ireland and the British Dominions Beyond the Seas, King, Defender of the Faith, Emperor of India," and his Queen, Elizabeth. In the words and ceremonials of a rite venerable through a thousand years of usage, the young English royalties are to be crowned at Westminster Abbey on May 12th. —*Acme photos.*

THIS WEEK IN THE WORLD

WELLINGTON, NEW ZEALAND.—It seems that John Bull continues to "muddle through" despite the most trying circumstances. During the abdication of Edward VIII, an iron-clad censorship was imposed until the trap was ready to be sprung. The condition prevailed not only in London but in the colonies as well. The censorship here in New Zealand has been so effective that Edward is virtually cut out of all news. There are no movies of him shown and one company stated that it was refused permission to use movies of the ex-king even for library purposes. No mention of his future is made.

The objective seems to be to handle the Edward affair so cautiously that no painful memories will be revived. Edward's name is practically banished in newspapers.

Everything is the new king and queen and the press is endeavoring to "build them up." The new king, of course, has not the colorful personality that Edward had and it will take a lot of press work and propaganda to establish him as a figure of kingship in the eyes of the colonial people.

Duce Protests Hapsburg Hint

VIENNA, AUSTRIA. — For two days Premier Mussolini of Italy and Chancellor Kurt Schuschnigg of Austria were in continuous conference over recent developments in Austria, where Schuschnigg was determined upon an immediate restoration of the Hapsburgs, under the guidance of France and Czecho Slovakia.

In other words, there was a revival of the project to drive an Austrian corridor across Europe to counter a Franco-Soviet pact. Mussolini's sudden return to Italy from his dominion visit was followed by the lightning stroke of the treaty between Italy and Jugo Slavia.

A Hapsburg restoration under the auspices of France and Russia would arouse the united opposition of Rome, Berlin and Belgrade, it was asserted.

Polish-German Trade Agreement

WARSAW, POLAND.—Extension of the Polish-German trade agreement to March 1, 1939, has been announced. While it is an extension of the original draft, numerous modifications have been made. Tariffs have been radically reduced to facilitate the flow of agricultural products and timber from Germany and the exports of cereals, butter and all dairy products from Poland. The extension came somewhat as a surprise in view of the Franco-Russian alliance and the fact that France recently loaned Poland $80-million for internal development.

Brazil Acts To Bar Japanese

RIO DE JANEIRO, BRAZIL.—One South American country after another, alarmed at the rapid increase of Japanese, have put up restrictions to limit their entry. Brazil, where rich coffee plantations and cotton fields proved a promised land to Japanese workers, will now only admit 3,500 immigrants yearly.

Peru, where a great number of Japanese in proportion to other nationalities have lived, has practically curtailed immigration entirely.

Tokio estimated the Japanese population in North America at about 175,000 while in South America at about 225,000.

Collect Ireland's Folklore on Records

DUBLIN, IRELAND. — In order that Irish folklore may be preserved for posterity, the Free State has compiled tales on dictaphone records to be placed in a museum in Dublin. In lonely cottages on the boglands of Connemara and Donegal, in the little farms in Clare and Kerry as well as on the coastal islands, old men and women are repeating the age old folk stories which their forefathers passed on to them. Their only audience is a man who holds a dictaphone that faithfully records every syllable and inflection of the voice. For the past year the work has been going on aided by grants from the Irish Free State government and the Rockefeller foundation.

Supreme Court Plan To Take Over

Court Held in Respect for 148-Year 'Old Deal'

WHEN the Constitution of the United States was drawn up in 1787 there was a conflict which has ever existed, over the question of State's Rights. Many articles in the Constitution are a compromise on this question. The present proposal to add six new presidential appointees to the Supreme Court roster, is just another outbreak of the old struggle. This particular change would prevent further interference with the federal government's assumption of powers which the United States Constitution and the Supreme Court insist belong rightfully to the States.

The only thing which now stands in the way of the Federal government's usurpation of powers and rights which do not belong to it, is an **independent** Supreme Court. Time was when the Congress of the United States, composed of representatives from the individual states, was a strong protection for these states. As time and elections passed, it became more necessary under our democratic system, for Congressmen in order to insure their election, to become aligned with some political faction, until now most Congressmen are not representatives of their constituents, but extensions of the personality of their party leader, and subjects to the order of their political national chairman.

It has remained for the Supreme Court to stand alone in upholding the Constitution of the United States, in letter and in spirit, against Federal leaders who would "junk" it.

The idea of an independent Supreme Court is not new. Our constitutional founders were the first actually to achieve an independent place in government where the humblest citizen might seek justice without fear of an opposing political influence. But the idea itself was the outgrowth of experienced centuries of hope for just such an institution.

The first Judicial Act in 1789 set the number of Supreme Court Justices at six. The presidents who have changed this number from time to time, have done so only in the process of territorial expansion. **Never has a president dared even to suggest a wholesale reconstruction of the Court.**

Here is the box score of the previous presidents, often referred to, who did no more than to fill the vacancies which arose normally or appoint justices to new circuits added as the country developed:

Thomas Jefferson (1801-1809)—3 appointees in 8 years: 1 to fill seat for new circuit.

Andrew Jackson (1829-1837)—6 appointees in 8 years: 1 to fill seat for new circuit.

Abraham Lincoln (1861-1865)—5 appointees in 4 years: 1 to fill seat for new circuit.

Ulysses S. Grant (1869-1877)—4 appointees in 8 years: 1 to fill seat for new circuit. Those not specified were to fill vacancies.

Theodore Roosevelt (1901-1909)—3 appointees in 7 years. All to fill vacancies.

Professed Reasons for Packing Bench Fail to Withstand Searchlight of Analysis

THE proposal to enlarge the present Supreme Court by six members, or to force six of the acting Justices into retirement, first came to the attention of the general public in the president's message to Congress on February 5.

In this startling letter Mr. Roosevelt brought forward "the question of aged and infirm judges —a subject of delicacy and yet one which requires frank discussion.

"Modern complexities," said the president, "call for a constant infusion of new blood in the courts, just as it is needed in executive functions of the government and in private business. A lowered mental or physical vigor leads men to avoid an examination of complicated and changed conditions. Little by little, new facts become blurred through old glasses, fitted, as it were, for the needs of another generation; older men assuming that the scene is the same as it was in the past, cease to explore or inquire into the present or the future.

"It is obvious, both from reason and experience, that some provision must be adopted, which will operate automatically to supplement the work of older judges and accelerate the work of the court.

"If these measures achieve their aim, **we may be relieved of the necessity of considering any fundamental changes in the powers of the courts or the Constitution of our government**—changes which involve consequences so far-reaching as to cause uncertainty as to the wisdom of such course."

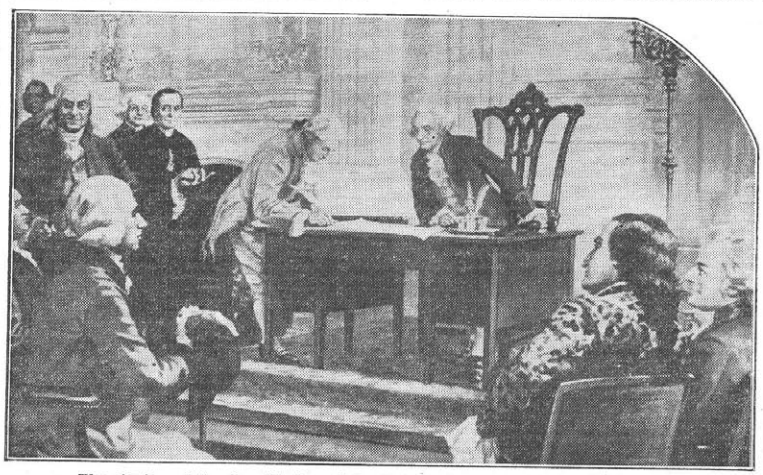
The president has advanced the Court plan as his idea. It is logical then to assume that the reasons which he gave for the proposal at its introduction were actually what motivated him to suggest this change in the court.

Upon analysis, the reasons are perplexing. The president urges that the age of the justices renders them incapable of being in accord with the New Deal. Apparently the brief revival of "youth" that enabled the court to uphold the New Deal Wagner-Connery Labor Act was not to affect the executive's intentions. Upholding the Labor Relations Act did not prove conclusively that the court would invalidate no more New Deal legislation. Consequently, the court still needs "new blood."

Justices of the Supreme Court at the Willis Van Devanter, Chief Justice Charles George Sutherland. Second row: Owen L and Benjamin Cardozo. *Picture*

It was argued at the introduction of this proposal that the judges were way behind the calendar in their work. Chief Justice Hughes has since proven that the author of this statement had been incorrectly informed.

The president spoke of the "necessity of an increase in the number of judges," **yet his personal preference is that the six oldest justices resign.** How, then, would this relieve the "nec-



The signing of the Constitution of the United States at Philadelphia, in 1787, gave to the three separate branches of the Federal government their special powers and duties.

Concerning the 'Pack

Proponents:

"The court reorganization plan comes directly into the class of those matters on which party loyalty should be the guiding principle. Members of my party who refuse to go along with the president . . . are straining at a gnat."—**James A. Farley, Democratic national chairman, and postmaster-general in the president's cabinet.**

* * *

"This new roar is the best evidence in the world that we have begun to keep our promises, that we have begun to move against conditions under which one-third of the nation is still ill-nourished, ill-clad, ill-housed."—**Franklin D. Roosevelt, President of the United States.**

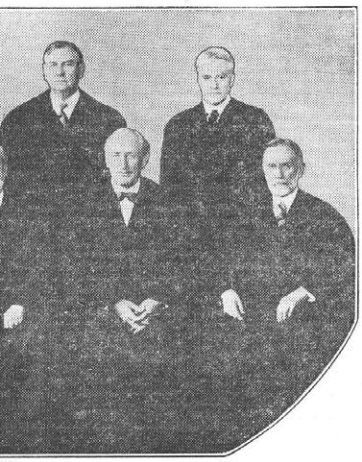
* * *

"What American could be afraid of men like Homer Cummings, Frank Murphy, John Dickenson, Jim Landis, Sam Rosenman, John Winnant, Robert Jackson, Ferdinand Pecora, Adolph Berle, and Fiorello LaGuardia—just to mention nearly all of the possibilities? Those men are known to this country and proved in its eyes."—**Gen. Hugh S. Johnson, former N. R. A. administrator.**

* * *

"If by 'packing' the court it is meant that the president would nominate only persons who agree with him in the fundamental interpretation of the Constitution, I hope that is true."—**Senator James F. Byrnes of South Carolina.**

Is But One of Series States' Powers



esent are, front row: Louis D. Brandeis, vans Hughes, James C. McReynolds and Roberts, Pierce Butler, Harland P. Stone f Justices by Acme; all others by Ewing Galloway.

essity of an increase in the number of judges" earnestly recommended by the executive?

Question: Since the reasons given by the president for this drastic and morally unconstitutional change, upon clarification, are not as legitimate as they may have seemed at first proposal, why does not the president withdraw his request for remodeling the Judicial branch of the United States government?

Answer: Because the reasons advanced in the recommendation message have **nothing**

Grant of Unlimited Powers of Dictatorship Would Not Remain Unused

whatever to do with the real issue—they are merely a smoke-screen.

What, then, are the real reasons, and why have they not been presented to us?

In the first place, the proposed legislation, if enacted into law, would give the president a New Deal court. The New Deal has already referred to the importance of knowing how the justices will vote on a law, and Mr. Roosevelt has announced his intention of appointing "new (deal) blood" to the bench.

Either way, this will assure the executive of a friendly court. Let us suppose that a justice refuses to retire at 70, and a New Deal judge is added to the roster. If the aged jurist is friendly to all presidential legislation, the executive's strength has been reinforced, **two votes replacing the previous one.** If the judge is inclined to oppose legislation which does not originate in the legislative department, his opposition has been nullified or canceled by the new appointment. But why is all this necessary, if the Congress and the president are working in the interests of the people and within the Constitution?

Authorities who have traced the history of the court packing plan tell us that it was not new to them on February 5, but that **it was written almost a year and a half ago.** They do not tell us when the old-age argument was originated.

Not long after the inception of the "plan" a number of propaganda books attacking the personal lives of the "nine old men" appeared on publishers' book lists. The actions of the judicial department, and the "truth" about the court, were satirized. The public mind was being prepared for the suggestion which was to follow.

The election delayed the actual presentation of the plan. Feelers of the public pulse deemed it unwise for the president to speak of all this before election. So National Chairman Farley, who did not have the courage to ask the American people what the New Deal should "do" with the Supreme Court last October, now has the courage to say that the overwhelming

(Continued on Page 10)

New Deal Meets Court On Its Way To Power

WHEN the New Deal swept somewhat gropingly into power in 1933, the first alphabetical program to emerge as an administration experiment, was the National Recovery Act. Second in importance was the Agriculture Adjustment Act. There followed the Guffey Coal Act, and in fourth place was the Gold Clause Act. These acts were the actual embodiment of New Deal policies.

Congress, by this time reduced to presidential servitude, hastily enacted these legislative pieces, and the New Deal was "on the way."

And then up popped the devil's advocate. The **States still had rights,** and if Congress was too busy following instructions to do anything about it—the Supreme Court would have to.

Down went the **N. R. A.**—decision 9 to 0. "The Constitution established a national government with powers deemed to be adequate, as they have proved to be both in war and peace, but these powers of the national government are limited by the constitutional grants." Chief Justice Hughes speaking for the unanimous Court, handed out the death blow to the centralized system which the N. R. A. would have set up.

The **A. A. A.**—decision 6 to 3—met with a similar fate when the Court held that the imposition of processing taxes under law was an invasion of States' rights.

The **Guffey Coal Act,** predestined for an early death, was outlawed—decision 6 to 3—in spite of the president's public personal request that Congress pass it **even if it did violate the previsions of the Constitution.** In the voice of Justice Sutherland, the Court said: "To a constitutional end, many ways are open; but to the end not within the terms of the constitution, all ways are closed." Its wage and hour regulations again violated the rights of individual states, some of which already had wage and hour regulations of their own.

The **Gold Clause Cancellation Act** in private contracts was upheld—decision 5 to 4—Under its constitutional power to coin money and regulate its value, Congress had the power to abrogate private obligations to pay in gold.

Some acts of presidential legislation were upheld by the Court, but the New Deal plans to centrallize all government under federal power, in contradiction of the Constitution, were frustrated.

The New Deal reaction to the Supreme Court's defense of the Constitution, is best summarized by Mr. Roosevelt's attitude toward William Humphrey of the Federal Trade Commission, when he said: "I do not feel that your mind and my mind go along together."

The Supreme Court of 1937 has sinned against the New Deal by refusing to validate all legislation without question. The wages of that sin is death, and the New Deal President has decreed that the Court must pay the penalty.

ing' Plan They Say:

Objectors:

"A question has arisen which only the people have the authority or the right to settle. Should there be a redistribution of power between the state and the federal government?"—**Senator William E. Borah of Idaho.**

* * *

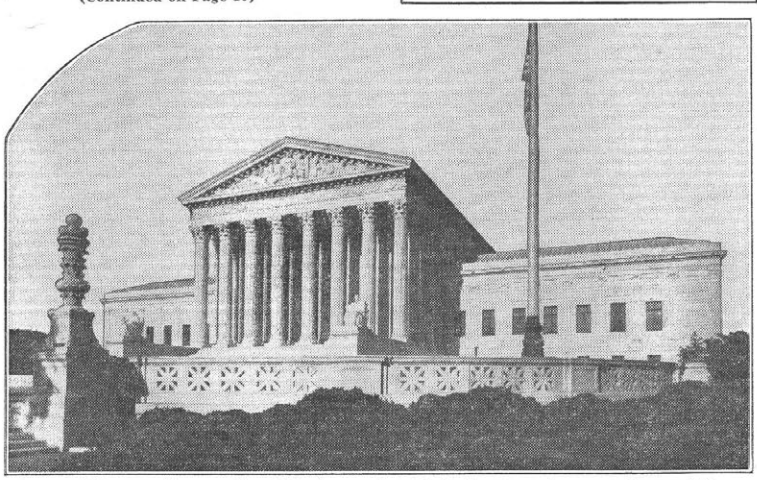
"To bring about government by oligarchy it is fundamentally essential that all authority and control be centralized in our national government. We are safe from any such departure from the principles on which this country was founded, just **so long as the individual home rule of the states is scrupulously preserved,** and fought for when they seem in danger."—**Franklin D. Roosevelt in 1930.**

* * *

"The multiplication of judges only enables the weak to outvote the wise."—**Thomas Jefferson, third President of the United States.**

* * *

"Congress now has no more legislative power than Gandhi has clothing. When Congress gave the president $4,800-million to spend as he wanted, the main reason for the existence of Congress disappeared. Now that the emergency is over. **Congress should not delegate any more power to the President, but should begin to take back the power given him during the depression."—Representative Hamilton Fish of New York.**



It is more than sentiment that prompts patriotic Americans to oppose the appointment of a "new" court to occupy the chambers of the new Supreme Court Building.

Third Term in 1940 Hope of Roosevelt

(Continued from Page 1)

tices to be placed upon the Supreme Court of the United States. The Constitution is likewise silent on the number of times that a man can hold the presidency—or be elected to the Senate or the House of Representatives.

There is, however, an "unwritten Constitution" for the United States. George Washington established one principle of it, namely that the chief executive be limited to two terms. That principle is definitely threatened today.

It All Fits In With the Strategy

Corroborative background for the prominent New Dealer's inside information is given in an occasional newspaper hint from time to time. For instance, in recent weeks the president's "ace political manager" was quoted on some long range discussion of the "party possibilities" for 1940.

"No man **who opposes the president's court reform can win the nomination three years hence,**" the party leader has declared with confidence. This bars more and more of the party's outstanding men as they join opposition to the court pack; ex-Republican converts to the New Deal are not to be considered; aggressive individuals are too dangerous for the New Deal to encourage so early in the second term. Crossing off these speculative possibilities for one reason or another, invariably brings the dopesters back to the question: "How about the president?"

Asked bluntly, "Has he closed the door to re-nomination?" the ace man of the political set-up was quoted only last week as replying: "Certainly not!"

The $2½-billion which is programed for relief—not in the $1½-billion of the president's message, but in an extra billion which will come by way of amendment—**is the first great step in the campaign for 1940.**

The Robinhood theory of taking from the rich to distribute among the loyal followers is laying the groundwork for the election of "the indispensable man"—a character that never existed in any democracy.

Janus Had Nothing On Us

—From the New York Post.

Doesn't Know Where He's Going, but He's on His Way!

Davie Stern Sees Light: Attacks New Deal Finance

(By Special Correspondent of SOCIAL JUSTICE)

PHILADELPHIA, PA. — Despite the many barbs of sarcasm and ridicule which David Stern, publisher of the New York Post, the Philadelphia Record and other eastern papers, pointed at Father Coughlin and his National Union for Social Justice during the campaign of 1936, we are humble enough to welcome him as a converted ally!

How long he will remain converted is problematical. Stern has, he says, become convinced that the New Deal monetary policy is impossible.

In his Philadelphia Record, dated April 17, in a lead editorial entitled: "Hurricane Warning," the Stern writing crew is permitted to say:

"If a man drove a motor down the street with one foot jammed on the accelerator, the other foot pressing the brakes until they screamed, steering zig-zag fashion, first to the right, then to the left, then to the right, he would soon be arrested.

"The monetary machine of the United States is being driven in just such a crazy zig-zag, unpredictable, incomprehensible fashion.

"YOU are paying for it. . . .

"In short, our monetary experts, in both the Treasury and Federal Reserve, are going in all directions at once.

"Monetary control has become a whirligig.

"Today, the confusion of monetary management at Washington threatens, **because the money-changers are back in the temple.**

"The whole direction of the New Deal is swinging around in the direction of the Old Deal.

"Clean the money-changers out of the Treasury and compel the Treasury and Federal Reserve to adopt a progressive and consistent monetary policy."

The only word we would add to such a blast is:

The New Deal isn't swinging around around to the Old Deal. The New Deal never left the Old Deal methods of finance, except in promises. That is why SOCIAL JUSTICE refused to applaud President Roosevelt in 1936. The immoral financial policy of the New Deal is catching up with it.

EYES and EARS

(Continued from Page 4)

away a continuing deficit in the face of the new campaign-created prosperity.

A neat little lateral-pass play between the president and the Secretary of the Treasury was worked up. This is how it was executed:

Secretary Morgenthau faked the estimate of receipts from the income tax payments due on March 15. He said that the government would receive some $400-million more than accurate figuring could possibly have justified.

So when the president sent his budget message to Congress last January, it was predicated upon Mr. Morgenthau's phoney figures. The president was able to get into the budget a billion and a half dollars for the WPA campaign machine—so as not to let the forgotten man down too abruptly—and jubilantly concluded that he had achieved a "layman's" balance.

None of the Congressional "watch-dogs of the Treasury" were watchful enough to detect the first pass in a trick play, when the president dropped the hint that he might be back with a revised budget a little later. The pose of devotion to economy fooled all the "watch-dogs."

Then the trick play got under way. The income tax receipts. were short nearly a half-billion dollars. Using the trumped-up estimate as a defense, the New Deal threw out a barrage at fictitious income tax dodgers. The New Deal's "technical" balance had been upset by shadowy enemies who haven't yet been brought out of the shadows—and never will be.

But for the non-technical minds of the great masses the buck had been passed. The trick play was completed for a touchdown.

President Roosevelt sent his second budget message to Congress. He explained that his balance had been "upset by enemies." He slipped in his billion and a half dollars for relief, which will carry on the political interests of the New Deal (Miss Perkins' figures, you know, show that the index of employment is now above the 1929 figure)—and the budget continues out of balance. In other words, the debt piling up on the back of the forgotten man is still growing.

And all through the play the president led the cheering for economy, the very refinement of Rooseveltian strategy.

* * *

Not even there, however, ends the governmental black magic of bookkeeping. A new expedient has been discovered—a cleverer way of juggling the books has been devised.

Just a few days ago, Congressman Clarence Cannon introduced the most wily bit of legislation that was ever devised to becloud the public understanding of what is happening to the people's money.

This legislation would authorize the president to "impound" 15 per cent of next year's appropriation. That means that Congress would appropriate, as usual, six-, seven- or eight-billions of dollars, making it ALL available for the president to spend—if he so desires.

The president, however, would isolate 15 per cent of it—like a mad dog is isolated in the police pound—with the understanding that it is the present intent of the Congress that the 15 per cent be untouched, unless it becomes absolute necessary, as the fiscal year draws to a close, to spend it.

The Cannon bill, according to the Speaker of the House, has the president's blessing. And why not?

It enables him to appear before the unsuspecting populace as a determined leader for economy—while he is empowered to spend just as much money as ever, or more, if he can cook up some plausible reason for spending it.

He is indeed an optimist who anticipates that the record-breaking spenders of all history will save the "impounded" 15 per cent.

If there was any serious intention of saving the money, and incidentally the country, the New Dealers would be above-board about it. They would not appropriate it.

What they are really doing is shadow-boxing with the budget.

Court Plan Just Another Invasion of State's Rights

(Continued from Page 9)

mandate (a 6-4 vote) given the New Deal in November, clearly indicates that whatever the president wants to do to the United States government and Constitution is all right with the American people.

There were "crack-pots" and "demagogues" who likewise knew of the Supreme Court plan, and of similar plans now being shaped for the future, as early as last August and September, but these were denounced because they dared to accuse the executive of aspiring to "dictatorship" even while that same executive was stump-speeching to America that he must be re-elected **because the powers of the executive were already too great to be entrusted to another.**

Entirely commensurate with this speech is the revelation now to New Deal party leaders, that President Roosevelt **will accept a third term as president in 1940.**

Taken separately, the Supreme Court proposal with its smoke-screen motives, if enacted, would violate in a serious manner the constitutional and general welfare of America. But **it cannot be taken separately.** It must be taken as—it actually is—but one in a series of moves ultimately leading to—yes, it's a "crack-pot's" word—dictatorship.

The trend is obvious from the situations which might be effected. There would be nothing to prevent the president from removing any official not under his supervision, because his "mind does not go along" with the president's. It is our executive's known belief that many of the states' powers should be under the control of the federal government. With a New Deal court to co-operate with a New Deal Congress, what would prevent the removal of your state's sovereignty?

Under this court plan, the only determinant of the powers of the executive would be **the discretion of the president himself.**

The president in his proposal has asked for this power. And even politicians know that **Mr. Roosevelt would not ask for this power unless he had every intention of using it after it is granted.**

Packard Employes Choose U.A.W.

Labor Board Count Shows 4-1 Verdict

By the Labor Editor

More than 14,000 employes of the Packard Motor Car Company, by a vote of 4 to 1, have delegated their sole bargaining rights as workers into the hands of the United Automobile Workers, an affiliate of the CIO.

The election was the first to be held under the supervision of the National Labor Relations Board since the Supreme Court upheld the Wagner Labor Act.

It also marks the first grant of sole bargaining rights to the union by a major automobile concern. Previous agreements signed with Chrysler and General Motors gave the union bargaining rights for its members only.

Vote is 11,588 For Union Agency

The count, announced by Frank H. Bowen, regional director for the National Labor Relations Board, was 11,588 for representation by Local 190 of the UAW and 2,655 against, with 14,303 of the 14,800 eligible employes voting.

The count was conducted at the Federal building in Detroit. The votes were taken in sealed boxes from the polls at the Packard factory by United States Marshall John J. Barc and his deputies.

A board of watchers inspected each box as it was emptied.

Now that the union has been delegated sole bargaining agent, it will negotiate for 22 demands. These include:

A 10-cent-an-hour wage increase for all workers.

Establishment of a straight seniority system.

A shop steward system to handle all grievances.

Elimination of the speed-up.

Minimum wage for all men and women workers.

Packard Policies Are Rejected

Had the workers not delegated sole bargaining rights to the union, their position at Packard would have remained as follows:

An average hourly wage of 91 cents which, including wages received by some workers during vacation periods, is raised to 93 cents per hour.

A seniority system in operation since 1910. (It is a Packard policy not to fire a man because of his age. When a man becomes too old to perform one type of work, another type more suited to his age is found. Any man who has been in the employ of the company for 15 years or more, and is 65 years of age, receives, if he quits, or is retired, $25 for each year he has worked for the company.)

No Packard employe can be directly fired by a foreman. (He must be fired or transferred to another job by the personnel department. A foreman's only position in the case of a discharge is to recommend.)

To spread employment throughout the year by adjusting production schedules on a stable basis regardless of the peak selling period.

A minimum wage for both men and women equal to the majority of the minimum wage contracts signed by the UAW with other automobile companies. The annual earnings in 1934 (a depression year) of 53 per cent of the company's workers exceeded $1,200.

A week's vacation with six days' pay.

All employes paid on an hourly basis, with the exception of supervisory, clerical, engineering and craft employes were eligible to vote.

Both Sides Praise Board

Alvan Macauley, Packard Motor Car Company president, issued the following formal statement:

"Our employes have expressed their desires by their vote. We are pleased that the matter has been determined peacefully and with apparent good will all around.

"We especially commend Mr. Frank H. Bowen, regional director of the National Labor Relations Board, and the fine group of young men with him, for the efficient and completely impartial manner in which the election was held."

The United Automobile Workers' executive board also issued a statement hailing the election as proof that "the matter of union recognition can be settled without resorting to strike. The overwhelming victory of the UAW in the Packard election is a cross-section of the sentiment of automobile and industrial workers throughout the nation. It proves conclusively that workers of the country want to be represented by bona-fide industrial unions."

UNITED STATES OF AMERICA
NATIONAL LABOR RELATIONS BOARD

OFFICIAL BALLOT

To determine whether or not the hourly paid employees of the Packard Motor Car Company desire to be represented by Local 190, International Union, United Automobile Workers of America, as the sole representative for collective bargaining.

1. This is a SECRET ballot. DO NOT SIGN your name.
2. Mark an "X" in ONE SQUARE ONLY.
3. If you spoil your ballot, return it to the Board's agent and obtain a new one.
4. Fold your ballot to conceal the "X" you have made and deposit it personally in the ballot box.

DO YOU WISH TO BE REPRESENTED BY LOCAL 190, INTERNATIONAL UNION, UNITED AUTOMOBILE WORKERS OF AMERICA AS THE SOLE REPRESENTATIVE FOR COLLECTIVE BARGAINING?

YES ☐ NO ☐

This is a secret ballot and MUST NOT be signed

NATIONAL LABOR RELATIONS BOARD
By FRANK H. BOWEN
Regional Director, Seventh Region
2102 National Bank Building
Detroit, Michigan

Reproduced above is the official ballot used in the Packard election to determine the employes' choice of a collective bargaining agent. It was a vote for or against the U.A.W. and introduced the element of a democratic expression of the workers' choice; a sharp contrast with the dictatorial policy of the C.I.O. which heretofore had enforced its will regardless of a majority support.

'Take' of Textile Workers' Dues Attracts C.I.O.

NEW YORK, N. Y.—According to the International Ladies Garment Workers, 1,100,000 work in textile mills in the United States. With their dependents, more than 3-million lives are tied to the spindles of this industry. There are mills in every state of the Union. There are 144,000 textile workers in Pennsylvania alone, 134,000 in North Carolina.

Locating the workers over the map, we find 250,000 in New England, 64,000 in New York, 200,000 in the Middle Atlantic states, 73,000 in the upper South, 320,000 in the deep South and 40,000 in the Middle West. There are more than 6,000 textile mills in the country.

The industry is divided into 14 major divisions. The largest is cotton goods, employing about 380,000 workers; knit goods take in nearly 190,000; silk and rayon about 110,000. Other divisions in order of importance are worsted, with 78,000; dyeing and finishing, with 66,000; rayon proper, with 52,000; woolen, with 48,000. Then comes carpets and rugs, house furnishings, cotton small wares, cordage and twine, bags, felt goods, and jute.

The divisions are closely intertwined. Silk mills make rayon; rayon mills also make cotton cloth. Shifts from one to another type are made comparatively easy.

Is it any wonder the C. I. O. is going after the textile trade? Over one million workers to be milked—$1 per head to join! Plus dues. What an income will the labor leaders possess!

Labor Highlights

WASHINGTON, D. C.—The National Labor Relations Board had a staff of 180 persons up to the time the act was declared constitutional. Since then, there has been an increase. The board operates on a budget of $700,000 a year. It was handled, according to its own figures, 2,072 cases since it began active operations on July 5, 1935.

LEWISTON-AUBURN, ME.—Shoe manufacturers relented from their previous position and agreed to meet representatives of the C.I.O., sponsors of a strike of 6,400 workers in 19 factories. Federal labor conciliator has arranged a preliminary conference between operators and unions. National guard sentries patrol the strike area since dynamite was discovered near a building. The strike is now over a month old.

NEW YORK, N. Y. — The threatened strike of 25,000 eastern railroad freight handlers and clerks was called off with the president's proclamation of an emergency and the appointment of a three-member board to mediate between the employers and the employes. The strike was to have been called by the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employes and for a 20 per cent wage increase. The emergency proclamation was invoked under the Railway Labor Act.

AKRON, OHIO — The Firestone Tire and Rubber Company, with more than 11,000 employes out on strike, continues its seventh week. The United Rubber Workers of America, a CIO affiliate, is holding out for sole bargaining rights. In addition, public transportation agencies have been on strike for two weeks. The town itself seems to take the situation calmly; Akron has been having strikes for over two years, on and off.

DETROIT, MICH.—Seventy-nine women and 41 men were held guilty of contempt of court for defying an injunction which ordered them to leave the plant of the Yale & Towne Mfg. Co., where they were on a sit-down strike. Two UAW organizers were sentenced to 30 days in the county jail and fined $250; a Communist operating a UAW sound truck and the chairman of the strike committee were each given a 10-day term. Sentence on the others was deferred to July 15.

Union Admits Suffering Families Ended Sit-Down: 'Victory' Explained

The grumbling in the rank and file of the United Auto Workers over the settlement of the Chrysler strike has forced union representatives to prepare a most unusual pamphlet for distribution to the 65,000 Chrysler employes. It seeks to defend their action in signing the strike agreement when they did, and to make the terms sound like a victory for labor.

Behind it lies a "petticoat rebellion" of the wives, sisters, sweethearts, but most of all the innocent children who were paying the price of the strike in hardships by suffering at home and accepting the relief dole. **They had suffered enough—and more.** Without adequate food and clothing, with debt collectors pounding on their doors while their husbands were well-fed in the improvised C. I. O. soup-kitchens at the factories, these things could only go so far.

Union Admits Family Suffers

"Your negotiating committee took into consideration human needs, the welfare of the union, the newness of the organization itself," says the notice. "Let us analyze these points for your consideration:

"First, 185 families were evicted in one day.

"Second, many hundreds of members were in danger of losing their cars which they had been struggling to buy. Families without coal, cries of the needy growing louder.

"Third, the union treasury was not built to the point that we could properly carry on a long struggle and take care of our people, and children were without milk.

"Fourth, propaganda designed to misinform might have found ready ears among many of our own people not yet educated to the real significance of the labor movement.

"We likewise know that a loyal, conscientious, well trained group of unionists who comprise a majority of our members could have successfully held the fort, **but for what purpose would a long fight have been waged? Bitterness, hatred, and a vicious struggle would have been the only gain."**

SOCIAL JUSTICE asks what else was gained?

Bitterness Only Strike Gain

Contained in this remarkably frank pamphlet are warnings that "groups whose ideals are disloyal to a genuine labor movement" would seek through "slow-downs, sit-down strikes and spreading of rumors to break down confidence in our union in order to destroy it."

The report states the Chrysler Corp. will present a proposal by May 15 "with regards to the wide scope of rates" of non-productive workers in Chrysler plants. This was not mentioned in the formal agreement.

The company also has conceded the union the right to use bulletin boards of the plants for union purposes, the pamphlet states.

On the point of sole collective bargaining rights, chief issue of the strike, the report states: "in spirit and essence we accomplished our every purpose."

The report adds:

"We are distributing this leaflet to clarify certain points of the agreement entered into between the United Automobile Workers and the Chrysler corporation. We want the agreement clearly understood so that there can be no excuse for anyone to violate the terms reached.

"There is no apology needed for the agreement; however, there are certain elements to be considered about it:

"It is the only agreement ever entered into by the Chrysler Corp. and a labor union.

"It gives our members a provision that it took the United Mine Workers and others 40 and 50 years to attain!

"Every point is an improvement over what we enjoyed before the agreement was signed.

"There are several points which are not as you or your negotiating committee would have liked to see them, but in their opinion, they were the best that could have been attained at this time.

Booklet Is Alibi For Strike Leaders

In connection with seniority, certain assurances were given by Chrysler outside the formal agreement, the leaflet states. These refer to a clause which sets up a special classification of "Exceptions employes" who may be retained without regard to seniority during layoff periods.

Although the agreement states that these "exceptional employes" shall not exceed 10 per cent of the total in any department, the leaflet states that the management promised that the 10 per cent is an outside figure, that the majority of departments will have no need for any special ability men, that lists of special men will be made available to chief stewards, before the layoff and special ability must be proved if challenged.

No wonder in all the pictures published following the strike settlement, Walter Chrysler, who came up from the ranks to the very top, was smiling and in jubilant mood while John L. Lewis, "the big bad wolf" posed in a characteristically glowering mood. He had been beaten at nearly every point.

Congressmen Vote to Continue 3½% Rate on Farm Mortgages

Action Holds Up Progress on Frazier-Lemke Relief

By the Farm Editor
of SOCIAL JUSTICE

A contingent of loyal farm Congressmen are hard at work in the House of Representatives adding names to a petition that would bring the Frazier-Lemke mortgage refinance bill to the floor for debate.

Progress is slow, due to White House opposition.

Congress dealt a blow to the movement for action on the bill at this session by extending the 3½ per cent interest rate on farm land bank mortgages. The law which provides for this interest rate, reduced from 4½ per cent, would have expired July 1, 1937.

While the extension act was a poor compromise at best to farm leaders working for enactment of the Frazier-Lemke bill, it was considered a victory inasmuch as William I. Meyer, governor of the Farm Credit Administration, had bitterly opposed a continuation of the 3½ per cent borrowing charge.

Testifying before the House agricultural committee, Meyer demanded an increase in the rate, insisting that farmers were now in a position to pay higher interest on mortgage loans.

This statement brought blistering retorts from Senators Wheeler and Borah, Representative Lemke and others.

Borah said Meyer's testimony was not substantiated by facts, Wheeler called it poppycock, and Lemke declared:

"The fact that the Farm Credit Administration has recently foreclosed on 26,000 farms should prove to Governor Meyers that farmers can not pay even 3½ per cent interest. We insist that the rate should be lowered and not increased."

Edward E. Kennedy, farm leader, asserted:

"The fact behind this is that higher interest rates will multiply the number of foreclosures by the F. C. A. The increase in federal land bank foreclosures will multiply the financial difficulties of Farm Credit and wipe out hundreds of local farm associations in addition to farmers.

"The only solution to the farm debt situation is an invocation of the 1½ per cent interest charge guaranteed in the Frazier-Lemke mortgage refinance measure."

Farmfare

WASHINGTON, D. C.—Estimated farm mortgages recorded in 1936 amounted to approximately $800 - million compared with one billion dollars the previous year, and $1,700,000,000 in 1934. W. I. Myers, head of the Farm Credit Administration, said that the decrease, by more than half, of farm mortgages since 1933, indicates that the country is "getting back to normal" as far as farm mortgages are concerned.

MEMPHIS, TENN. — The Southern Tenant Farmers' Union has expressed the hope that John L. Lewis, CIO head, will pay its headquarters a visit when the steel, motor and coal strikes are settled. The union now numbers about 30,000 members in six southern states. The leaders, said H. L. Mitchell, secretary of the union, are convinced of the necessity for organization among the southern tenant farmers. The AFL passed a resolution approving the unionization of the farmers, but it is expected that it will be the CIO that will be called on to do the actual organizing of the rural workers.

Nipped Plot

Edward E. Kennedy, former secretary of the National Farm Union, arrived in Washington with a brief case filled with information, and the Senate judiciary committee adjourned hearings on the Court packing plan before several well - rehearsed New Deal farm pay-rollers could be heard in favor of the plot.

Ed Kennedy Spoils Coup of Court Pack Farm Stooges

Why did President Roosevelt suddenly decide to end the public hearings of the senate judiciary committee on his bill to pack the Supreme Court?

Why did he refuse to allow court reform advocates to testify in rebuttal to the deadly arguments of Senator Wheeler and the parade of experts opposed to the plan?

We'll tell you why.

It was NOT because, as generally contended, that the administration wanted to rush the court measure to debate on the floor as quickly as possible.

The REAL reason behind the Roosevelt strategy was because a certain prominent farm representative appeared in Washington just as Senator Ashurst, chairman of the committee, was preparing to call several well-rehearsed farm leaders for testimony in favor of the pack proposals.

The Roosevelt forces were virtually starved for a good word from the farmers. Not one farm representative had approved of the reform bill during the lengthy hearings. So the administration brought a few small-time farm leaders to Washington to counteract the damaging testimony against the court of such prominent farm spokesmen as E. H. Everson, president of the National Farmers Union, and Louis Tabor, master of the National Grange.

It was planned to hear the testimony of the pro-New Deal farm men and then drastically close the hearings.

Just as the stage was set, Edward E. Kennedy arrived in town with his brief case. The same Ed Kennedy who was "blackballed" out of the secretaryship of the National Farm Union last year by Roosevelt allies because he refused to endorse New Deal policies.

Kennedy, still immensely popular with the rank and file of farmers, was prepared to throw a bombshell into the committee hearings if the administration called on the pro-pack farm stooges for testimony.

He was ready to give information to Senator Wheeler showing that the prospective testifiers—including two or three state presidents of the National Farmers Union—were accepting salaries from the federal government on the side.

The farm boys slated to defend the president's court plan would have gone home with their heads between their legs and the administration would have received a very livid black eye if Wheeler had been given a chance to spring the facts.

Administration leaders hastily conferred, notified the president of the circumstances, and Ashurst was instructed to terminate the hearings without further ado.

Threat of Gold Devaluation Drops Farm Produce Prices

Farm prices are on the way down again, say Department of Agriculture figures available this week. The long pull upward in the prices of farm commodities, since the depression "lows" of 1933, finally has been climaxed by the worst commodity price drop in this generation.

Wheat had climbed from 37 cents a bushel to $1.45, when Secretary Wallace, through the Agricultural department, began to protest the rising prices of farm commodities.

The secretary suddenly reversed himself against the high price policy which he himself set by earlier agricultural legislation,—and now he tells the people to eat chickens, because this year the farmers of America will raise all the corn imaginable to feed all the hogs a philosophy of abundance may contemplate, and that the price of pork next winter will be low.

Assurance that Secretary Wallace's prophecy would materialize was given by the prompt aid and abetment of Secretary of the Treasury Morgenthau, in the greatest single manipulative move since the Black Friday of Grover Cleveland's day—the threat of gold devaluation.

Gold Price Is on Day to Day Basis

By the revaluation of the gold dollar in 1934 the gold ounce was revalued from $20.67 (which was its approximate price for a century) to a price which finally was centered at $35 an ounce and kept there from 1934 to the present day.

This price, fixed by the president of the United States, is the price at which the treasury will buy gold from day to day, committing itself to no future delivery price.

The revaluation gave the United States treasury a profit of $2,800-million, two billion of which was set aside in a secret fund called a "stabilization fund" and the $800-million passed into the general accounts of the treasury.

To devaluate the gold dollar to its old price of $20.67 would create a treasury deficit of $2,800-million on the old treasury holdings as they existed in 1934, and to hundreds of millions more on the holdings the treasury has since acquired.

The devaluation of the gold ounce from $35 is as inconceivable today as revaluation was to the reactionary bankers of the nation when the price was raised. Since that time the treasury has been specific in its policy relating to both gold and silver, committing itself to only day-to-day purchases.

No Price Level Certain at All

For three years the treasury has never said what it would pay for gold a month from now, nor for silver a month from now. On inquiry from Russia, which nation is producing gold at a rate almost unparalleled in history, the traditional answer is given—that the United States treasury will not guarantee a price for gold 30, 60 or 90 days ahead.

Yet when the recent threat of devaluation was released to the press it was dramatized before the world for its disastrous effect upon the world's price structure. Stocks tumbled and commodities fell in price. The Henry Morgenthau-Henry Wallace combine had found a new method of manipulating markets — however disastrous the consequences. No price level is certain, and there is no monetary stabilization, so long as the government pursues this financial policy of insecurity.

Secretary Morgenthau, by his threat, merely voiced the actions of the United States government for the past three years in refusing to quote the price of gold even 30 days in advance, but the threat had its desired effect. It gave actual fulfillment to Mr. Wallace's prophetic warning that farm prices should and would not go higher.

Naturally, farm commodity prices will not depart from their new time "low" until a definite financial policy has been set. Naturally, also, the two Henrys in the cabinet will see that these prices do not rise until Mr. Wallace deems it expedient that they should.

Financial Policy Key to All Prices

Raw materials and commodities are not determinatives in the cost of living or in consumers' prices. Our true economic burdens are not what the farmer receives for his grain or his cotton, but rather the great costs of transportation, of management, of dividends, of interest and of merchandising, — of distribution.

Under the guise of batting down prices for consumers' goods, a great raid has been made on the grains of America. The extent of this raid finds illustration in the falling of wheat, a fall of almost 16 cents in the first two weeks in April.

Secretary Wallace has warned America that corn, and consequently hogs which consume 65 per cent of the corn, will be lower in price. The stabilization fund is immune to questioning from Congress, but the people have the right to know the balance in the fund. If $800-million was spent to save the French franc, we are not at liberty to ask if additional millions were used to lower the price of commodities. We have, however, the right to know how much was in the fund on any given day.

Hershey Ouster An American Reaction

From the Bridgeport Life:

"This nation cannot endure half anarchist and half free. When court orders are flaunted with impunity, if not with the connivance of public officials, anarchy has replaced orderly government. When mobs refer tauntingly to the Supreme Court of the United States, also with official connivance, as in Detroit recently, it is time for Americans to cease praying.

"Hershey, Pennsylvania, has shown the only way that appears to be open now to combat mob rule. Officials sworn to uphold the Constitution of the United States have become derelict in their duty. When they connive at mob rule they become traitors to their country.

"The farmers of Pennsylvania and the loyal, patriotic citizens of Hershey have reminded the nation how freedom was won in 1776."

The People Speak . . . .

Employers Copying Joslyn Plan

To the Editor:

This is a somewhat belated, but none-the-less sincere expression of my appreciation of your article in SOCIAL JUSTICE for April 12.

A manufacturer in New York state employing 165 men, came to us yesterday to get all the details of administration under the plan, and then advised us that he was putting it into effect immediately. So that is one very desirable practical result that this SOCIAL JUSTICE "laurel wreath" has brought about.

Your article states that bank-controlled newspapers kept our profit-sharing plan from the news limelight. It was natural for you to assume this, but we ourselves preferred not to have it made public until it had stood the test of a long period of operation under all sorts of conditions, and especially those that existed during the recent severe depression. Without such an experience record, it was always open to the criticism that it might not stand the test of time.

The moment we were willing to have it made public, which was a short time ago, I mentioned it to Mr. Munger of the Chicago Daily News, expecting only that he might in turn mention it. He immediately gave it the fullest publicity in his newspaper and in magazine articles and in lectures.

If you can in some way make this correction, it seems to me it would clear the record perfectly and I would appreciate it.

We are all of us here willing to give any amount of time to the operating of our plan wherever it seems practical to operate it, and your help in that direction has been extremely valuable.

M. L. Joslyn,
President Joslyn Mfg. & Supply Co.
Chicago, Ill.

Writer Pictures Distress in Ireland

To the Editor:

I recently received a bundle of your papers SOCIAL JUSTICE from a friend in the United States. She knows I am interested in social justice, and was so glad to hear you were on the air again.

In reading your paper, I saw a letter from a young man in County Wexford, Ireland, boosting up Mr. De Valera. Evidently he has felt none of the terrible hard times we have under this present government.

The farmers of this country are on the rocks, with no market for their cattle. They are selling their farms and crowding into the cities and towns. Immigration to Britain the last three years has been most alarming. De Valera is trying to make an industrial center of Ireland. The cost of living has gone up.

The landlords are downright extortioners. Living conditions for the poor are scandalous—a whole family living in one room and those old tenements with several families living in them. The tenements used to be gentlemen's private residences. They are three or four stories high, the people living on the top floor have the greatest inconvenience. They must go out into the yard for water. How can people keep clean under those conditions.

Why is not something said from our pulpits about the extortions of landlords, and the exploiters of child labor which is so common here. The rich can do what they like. A great deal has been said lately in the pulpits about Communism and rightly so. I think the poor are driven to it by the cruel and unjust employer and the gougers of landlords and exploiters of child labor.

—Katharine MacShane.
Dublin, Ireland.

Reader's Letter Wins First Place

To the Editor:

Our local radio station sponsors a morning program which asks its listeners to write a letter on a certain subject every month. Last month they ask for letters for and against the proposed Supreme Court change.

Aided by reading SOCIAL JUSTICE, I wrote a letter which was judged the best letter opposed to changing the Supreme Court, for which I was invited to a breakfast in the studio and to read my letter over the air. To be able to do this would not have been possible without the aid of your paper SOCIAL JUSTICE.

It just goes to prove that the information contained in Social Justice is worthy of some consideration. Readers of this paper surely must realize that they cannot obtain the true facts in their daily newspapers that they can from reading SOCIAL JUSTICE. They should endeavor to have all their friends subscribe to it, and know the whole truth.

—Chester H. Faupel.
St. Louis, Mo.

English People Wanted Edward

To the Editor:

A friend of mine in the States sent me a copy of your SOCIAL JUSTICE in which I am much interested. You invite letters, and I feel that perhaps a plain British woman's opinion on Edward's resignation from the throne of England might be of interest.

There was much talk about the distress in different parts of the country. There was much talk among ministers of the poverty prevailing, there was **much talk** of what really ought to be done—but no one before Edward VIII went to see for himself.

Edward went on a tour of these areas and saw himself the silent machinery—the poor homes—the utter hopelessness of countless people—willing to work if only there was work to do—and he said: **"Something must and shall be done!"**

He might well have thought: who could be a king living in luxury, having ministers with thousands each year paid to them, and a great body of the people in such misery and want?

A king to be happy, must have a happy people, contented with a modicum of this world's goods. In a country full of possibilities, a country with three parts of the world in control, there is no solution found to such a horrible state of affairs. God bless Edward. His people wanted him. May he find peace.

—Mrs. Winifride Bancroft.
Worcestershire, England.

Paper Enlivens Sunday in Kansas

To the Editor:

We receive our copy of SOCIAL JUSTICE on the Sunday noon mail and immediately read it from cover to cover. At 2 p. m. we listen to your radio address without fail, which we always enjoy. Then we spend the remainder of the afternoon with your **Know Social Justice** contest, studying your books and papers, trying to ascertain the correct answers. We enjoy all this and are happy to give our ideas in the Social Justice National debate.

—J. B. Wood.
Seneca, Kan.

Court Too Supreme This Reader Thinks

To the Editor:

I held hopes that SOCIAL JUSTICE would not enter President Roosevelt's Supreme Court smoke screen — the smoke screen to hide inactivity, to hide some otherwise controversial legislation, by creating a mental unrest among those who might have voted "yes" or "no" in the wrong place. On the money question, for instance.

If you will check on page 5, June 12, 1936, issue of SOCIAL JUSTICE, you will find an article, "All Is Not Well Here," which harmonizes so well with my opinion on the Supreme Court that I wish I had written the article myself.

I find it very hard, myself, to read anything on the Supreme Court. So many facts have to be omitted, so much has to be assumed.

Take the case of a "5 to 4 decision"; the government is in the hands of one man. He tells 120 million people what they can or can't do. In a "6 to 3 decision," two men become the dictators without the regular ballyhoo.

The man who says: "The three branches of government are a balance of power," is speaking of a theory and not a fact. Congress can over-ride the president; the president can veto Congress. Here is a check; but one man, in a 5 to 4 decision, in the Supreme Court, **can kill the best efforts of the president and Congress.** Thus we have a supreme being!

—Gilton L. Quick.
Oak Park, Ill.

Contest Promotes Social Justice

To the Editor:

Your contest on **Know Social Justice** is the most interesting and educational I have ever seen. It surely makes you know social justice because you have to read your books on social justice and the first thing you know you are interested and you keep on reading it. You also get those around you interested so it is more like a game than a contest.

—P. J. Casey.
Oak Park, Ill.

Takes a Week To Read the Paper

To the Editor:

It takes us a week to really read SOCIAL JUSTICE. Every bit of it is read and studied over.

I can truthfully say that the reading of SOCIAL JUSTICE has been a great education to me, an inspiration to be a real American citizen, a friend to man.

—Mrs. Jennie Wheeler.
Holly, Michigan.

Labor Racketeers Do Some Exploiting

To the Editor:

I have just read a letter in your paper signed by Maria Albina Therrien, a shoe worker, and wish to give her a pat on the back for the stand she has taken in regard to **John Lewis'** union. I, too have been a shoe worker for the past 30 years, and never have I seen conditions as bad as at the present time. Is there no protection for the American working man to earn a decent living in accordance with his employer, and not be subject to every abuse the unions chose to mete out?

Every shoe worker, whether willing or not, must submit to the union's exploitation or find himself barred from making a decent living anywhere in the United States. The latest now in our Boston union is a levy of **5 per cent of our weekly wages to "support the union,"** in addition to weekly and monthly assessments, collections, and fines when we do not attend the meetings. Do you think these union racketeers are going to forfeit this levy when the five weeks' period is up? Don't you think they are coming back with a still higher levy, higher dues and assessments and greater fines when meetings are skipped?

Why should decent respectable Americans go to these meetings and listen to foreigners who can't speak English abuse decent, humane employers who are doing what they can to keep their help by honest wages and excellent treatment?

And what about the time lost and real privation of the shoe worker when strikes are called for no reason at all? What do these unions care what the worker suffers, **when their wages are paid 52 weeks in the year,** plus their expenses and the upkeep of their motor cars? Why do the shoe workers tolerate these unions? It is not the employers who are at fault in 9 cases out of 10, nor is it the workers' fault that they are loafing most of the time.

It is the fault of the union racketeers, who are only using the workers for all they can squeeze out of them, and both the employer and the worker are the sufferers. It is all right for a man who chooses to join a union to do so, but I believe that those workers who desire to be free from union domination and bullying should be given the same privilege.

—Mary Cartwright.
Boston, Mass.

Calls on Loyalists To Boost Paper

To the Editor:

I would like to see a copy of SOCIAL JUSTICE go into every home in the United States each week, also in every public building and all other places where large numbers of people may be found.

I enjoy the many fine features of SOCIAL JUSTICE. I am especially interested in Congressional Recordings. This fine page tells how our Senators and Congressmen feel about the 16 principles of social justice.

The paper should be read by every man, woman and child. I would suggest that someone in each city in the United States supervise the securing of subscriptions to and the distribution of SOCIAL JUSTICE. Come on, friends of Father Coughlin! Let us all do our part to boost the sale of SOCIAL JUSTICE for our beloved leader. We want him back on the air next October. The sale of Social Justice will pay for his broadcasting, if we all put our shoulders to the wheel and help. Let us show Father Coughlin that we are with him in his work.

—Joseph F. Traynor.
Wilmington, Del.

A True Short Story

BACK TO THE LAND! If that isn't the perpetual delusion. It flourishes year by year and constantly induces poor, unsuspecting people from the city to spend their last dime in an effort to obtain this much depicted paradise.

I was a city girl and my husband was born and raised on the farm. The farmers themselves do not realize how much they are exploited or can't do anything about it if they do.

No matter what you thought of farming 20 years ago, that is all changed now. I can remember when a farm woman could fill the buggy with apples or garden truck, together with the butter and eggs, and sell the whole lot when she went to town. Now you can see cucumbers three for a quarter, but try to sell a peck. No store will buy them.

Watermelons, acres going to waste, but not one store will buy! A few buyers come along and offer you **a half cent each for the biggest,** the kind that city folks will spend 75 cents for. No market for farm butter. They tell you that there is no call for farm butter, yet the creamery pays us for A-1 grade, the cream it is made from.

We have had many trees of beautiful apples, winter and summer varieties, but could sell none of the fruit. Walnuts were not even given a bid, no store would buy them. Acres of sweet corn that I thought some city woman would buy, but nixie! Wasted a lot of gas going to towns nearby, but there was no use. We might just as well start a sit-down strike as to cultivate garden, orchard or any special product.

Let me tip it off to you, City Sister, if you have a few hundred dollars left. There are firms just looking for you **to give you a farm on a $100 down, but you will never get that farm away from them if you live to be 100!** Right now it is not profitable for Octopuses to hold their farms, for the taxes just eat them up. Sisters of the City Pavement, don't get hooked for their taxes. **They are not going to let you get that farm.** They just play checkers with you until it is convenient to brush you off and start on a new family. My perspective is much keener now since I got brushed out of just such a deal. But I am still on a farm, mostly from money our parents earned.

I have never seen in print the vast profits. Just let me show them to you in black and white. This is nearly 120 acres, almost an average Iowa farm, with a wood lot where the wife has to help lift logs and help to put them through the saw. Otherwise we would freeze to death. A ton of coal is $8 and a luxury. Here is the record from March 1, 1936, to March 1, 1937:

$312.66	Expenses	$693.56	Received
141.74	Taxes & interest	555.90	Paid out
101.50	Car, gas, etc.	$137.60	Balance
$555.90			

The expenses include tractor fuel and gas for machinery, salt, repairs, replacement fence, but no general upkeep, like building repairs. Depreciation is about $1,000 per year in all.

My point in the above figures is that you will see that there is no depreciation or anything for interest on the investment. If I took out for either there would be not one dime for the labor of the man and wife. And let me say, you don't just look out the window. You are up on the hay stacks or cooking for exchange help.

Would you invest $6,000 to get a job for $137.60 a year? Would you be able to clothe and feed yourself and husband for a year at $137.60? Would you be able to buy any of this "abundant life" on such a figure?

THINK, little City Woman, whether you will waste your life for the big interest or not. Once I was as innocent as you and believed the lies in every paper and magazine.

If You Delay You Will Miss Out Altogether on $7,000 in Prizes

QUESTIONS FOR THIS WEEK

Picture No. 41

Picture No. 42

Make Your Selection by Number from the Following Lists:

1. Both believe in the absolute supremacy of the state.
2. Both believe in the supremacy of individual rights.
3. Both believe in monopolistic control of money.
4. Both believe in representative government.
5. Both are opposed to Fascism.
6. Both are opposed to Christianity or any form of religion.
7. Both believe there should be a just, annual living wage.
8. Both believe in the right to confiscate property.

1. It increases taxation.
2. It reduces the amount of producer goods.
3. It increases the amount of consumer goods.
4. It renders dolesters unfit for future economic and social adjustment.
5. It tends to maintain a one-party political oligarchy.
6. It is contrary to American tradition.
7. It is a direct cause of inflation of currency.
8. It is a direct cause of deflation of currency.

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture. Write clearly the number in the little square.

No. 41 For Question No. 41 I Select Answer No..... ☐ No. 42 For Question No. 42 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS.....

TOWN OR CITY .....STATE.....

AN EXTRA COUPON FOR A FRIEND OR RELATION

Fill in This Coupon and Mail with 10 Cents in Coin
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture. Write clearly the number in the little square.

No. 41 For Question No. 41 I Select Answer No..... ☐ No. 42 For Question No. 42 I Select Answer No..... ☐

MY NAME IS .....

MY ADDRESS IS.....

TOWN OR CITY .....STATE.....

TIME IS FLEETING!

Only five weeks remain before our "KNOW SOCIAL JUSTICE" Contest passes into history as being the best educational vehicle of its kind ever put forth.

BUT WILL IT MEAN ANYTHING TO YOU.

When the names of 368 readers who have WON are announced, will your name be among them? Only you can decide — RIGHT NOW—whether it will be there or whether there can be NO CHANCE to have it there.

You still have time to enter — AND YOU CAN WIN THE GRAND PRIZE OF $2,500.00 IN CASH. You CAN WIN any of the other handsome awards merely for being able to answer well 50 simple questions dealing with the social justice program of Father Coughlin.

Now, can you think of any reason for NOT entering this nationwide competition in setting down answers to 50 simple questions on social justice?

You can enter TODAY by using the Past Pictures Coupon.

TIME IS FLEETING... DON'T MISS OUT ALTOGETHER.

Rules of Contest

1. Open to all readers of **SOCIAL JUSTICE**, except employees of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, December 21, 1936. Each picture contains a question concerning the principles of social justice laid down by Father Coughlin.
3. A Grand Prize of $2,500 will be awarded to the reader of **SOCIAL JUSTICE** returning the best or most appropriate answers to the questions appearing in all 50 pictures and otherwise complying with these rules. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly coupon. The remittance of 10 cents in coin each week is in payment for Father Coughlin's book, **"Money Questions and Answers."** Purchase of this book is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for coupons arriving unduly late. By entering the contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties additional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do NOT decorate coupons. Neatness will not count.
8. Any inquiry the reply to which could not affect outcome of contest will be acknowledged.
9. A contestant may send in any number of sets of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set will be entitled to one book for each set submitted.

368 Cash Prizes, Plus Two Cars To Winners

Grand Prize $2,500.00

SECOND PRIZE $1,000.00—And the Choice of Ford, Plymouth or Chevrolet Sedan.

THIRD PRIZE $400.00—And the Choice of a Ford, Plymouth or Chevrolet Sedan.

FOURTH PRIZE $100 — Four Prizes of $50.00 Each. 100 Prizes of $10.00 Each— 260 Prizes of $5.00 Each

YOU CAN WIN IF YOU ENTER

"CONTEST EDITOR,"
SOCIAL JUSTICE,
ROYAL OAK, MICHIGAN.

I wish to enter the "KNOW SOCIAL JUSTICE" Contest at once and be on an even footing with all other contestants.

Please send me, free of charge, all Past Pictures which have appeared up to date.

Name .....

Address .....

City ..... State.....

The Wagner Labor Act

Some Things It Does—and Some That It Does Not

There seems to be considerable confusion for the average reader regarding the powers conferred under the Wagner Labor Relations Act. It does not create unlimited powers. **It merely gives workers the right to organize unions and to bargain collectively with their employes through chosen representatives.**

It restrains employers from "unfair labor practices" including interference with labor organizations and discriminations against their members.

The rights of labor are to be enforced by the National Labor Relations Board, a three-member quasi-judicial unit of the federal government.

The act does not set up wage and hour standards. It merely assures the worker the right to bargain for them.

The act does not stop strikes. The law merely says: "Nothing in this act shall be construed so as to interfere with or impede or diminish in any way the right to strike." J. Warren Madden, chairman of the board, states that if employers will comply, further strikes will not be necessary to establish the right of collective bargaining.

A secret vote of the workers will determine what organization will represent the workers in any plant. The representatives named by a majority of the employes become the exclusive spokesman for all the employes.

A worker does not have to join the selected union. But if that union has a majority, it will speak for him in bargaining on wages and working conditions.

The Labor Relations Board does not have authority over bargaining in every industrial plant in the country. The law only applies to firms which are engaged in interstate commerce. Only future decisions of the Supreme Court can determine whether a firm is engaged in interstate commerce.

An employer is not barred from dismissing a union man without consent of the union. The act merely states that a worker cannot be dismissed because of union membership or activity.

If a company believes the board is unfair in a decision, its alternative is to defend itself in hearings before the board, and then attack the board's order as unfair and unjust in a federal court.

Co-Ops Farm Movement to Keep Money at Home

(Continued from Page 6)

consumer co-operation. Hundreds of them have their co-operative gasoline stations. Madison, Wisconsin, where a co-operative gasoline station was opened in 1934, is an example. This organization with a large share of its members on the faculty of the University of Wisconsin, opened a gasoline station and in their first eight months of operation did a business of $18,000. Growing membership led to the opening of two more gasoline stations, the addition of a coal yard and a fuel oil plant. In 1935 sales jumped to more than $3,000 a week.

The revolt against profit-taking in Ohio and Indiana was forced in 1920 by the fertilizer interests. At this time grain prices started to crash. These interests formed what was virtually a monopoly, pegging the price of fertilizer at $34 a ton. The farmer actually unable to pay this price, was driven to co-operative organization. The fertilizer interests, when the economic revolt started, refused to sell to the co-operatives. So the co-operatives went farther afield in their search for supplies.

Price War No Hindrance

When the co-operative bought huge stocks of fertilizer to sell at $21 a ton the fertilizer interests cut the price to $20. But the revolt was under way and could not be stopped by a price war. The one stumbling block in the path of co-operative development was the inability of the co-operators to get standard quality and assured supplies.

It was at this time that the co-operatives found a copper mining company with a surplus of sulphuric acid. The company agreed to set up a subsidiary corporation for the manufacture of fertilizer which the co-operators agreed to buy.

As a result, there is in Lockland, Ohio, today a fertilizer plant with a capacity of 100-million tons of fertilizer a year. The co-operators lay down their own specifications. The manufacturer produces fertilizer according to the consumers' own demands. The co-operators take care of all advertising, distributing, and pay cash for their supplies. The producer has nothing to do but produce. As a result this manufacturer signed the first contract of its kind in the United States, wherein he agrees to return to the co-operatives one-half of the manufacturer's profit each year. The saving of retail profits has been, in most cases, merely the first step of the co-operative advance.

Co-ops Face Test Of Distribution

In town after town throughout the middle west the co-operative station comprises a feed mill, a bulk plant for the distribution of gas and oil, a warehouse where the farmer buys his feed, seed, fertilizer, fencing and building materials. The current move is toward the setting up of a retail store in connection with each one of these co-operative depots.

The Consumers' Co-operative Association in North Kansas City, with its 300 depots in Kansas, Colorado, and neighboring states, is now organizing its own grocery wholesale in order to set up a store in connection with each gasoline station and feed warehouse.

In Indiana and Ohio, for example, the rural co-operative organizations have laid out a definite plan of action. They are going into the towns and cities to help workers form their own consumer co-operatives set up by the farmer. The goal is the elimination of the middleman and his profit toll.

The progress of consumer co-operatives in the United States in the last two decades has been extensive. The real test will be whether they can meet the problem of large scale distribution. If they can find the solution to this problem—the result of mass production —the co-operatives will be able to secure for the consumer more of that abundance by which he is surrounded.

Reserve Bank Racket Is Called 'Burglary'

By Hon. Arthur P. Lamneck
Representative from Ohio

The banks of this country have been selling government bonds for the past 8 or 9 months because they have begun to lose confidence in the future of United States bonds.

This condition has caused the administration great concern. I do not know whether you know it or not, but the financing of the New Deal program has been made possible **by forcing the banks to buy bonds.** How many times have you noticed, after a bond sale, that the issue has been over-subscribed? False propaganda, I say, because the public has not bought any to speak of and the banks bought them because of the pressure by the government and from the further fact that it was not advisable to make private loans.

Some of the banks have tried to leave the impression that being compelled to buy the bonds was a terrible ordeal and imposed upon them great hardships. This gives me a laugh.

$20,000 a Year For $300 Down!

A man does not have to be forced to pay 30 cents in exchange for a thousand dollar bond paying $25 a year. That is exactly what the Federal Reserve banks are forced to do under provisions of Senate 417—passed by the House February 24, 1937, entitled: "An act to extend the period during which direct obligations of the United States may be used as collateral security for Federal Reserve Notes."

Under this system, a bank may spend $300 and collect the interest each year on a million dollars' worth of bonds. A sum in excess of $20,000 return on a $300 investment! Do banks have to be forced to make this kind of an investment? Hardly.

For those interested in the technicalities, here is the procedure: The Treasury asks for buyers for several billion dollars' worth of bonds. The banker says he will take a million dollars' worth and credits the Treasury on his books with a million dollars. He then deposits the bonds with a Federal Reserve agent as collateral security for a million dollars' worth of Federal Reserve notes and agrees to pay the cost of printing the currency at about $300. He now has a million dollars in currency to balance the million-dollar deposit he credited to the Treasury. He still owns the bonds and can collect the interest, about $20,000 a year, on an investment of $300.

In my opinion, the Federal Reserve System, as it now operates, is proceeding by legislation that we passed, **legally to commit the greatest burglary in history. If a burglar had a license to steal, he would at least have to carry away his loot. The Federal Reserve System has its loot brought to it.**

What right has any group, whether they are bankers, businessmen, or private citizens, to use the credit of the United States to an unlimited degree without compensating the people for that great privilege?

Banks' Partnership With U. S. Gone

The Federal Reserve System, as originally conceived, was to be a partnership between the banks and the government, the government to get all profits above 6 per cent. Since then the bill has been amended many times, always in favor of the banks, thus cheating the government out of its just share of earnings. By piling up the earnings in surplus accounts, by building immense buildings, by paying high salaries to officers, and by switching excess profits to member banks, the Federal Reserve System has kept for itself most of the government share, which, if divided up, would pay off a large portion of the national debt.

Not satisfied with the steal now being perpetrated, we are compelling them to be the agency through which we are **just beginning to enter a period of currency inflation, the same kind of inflation that ruined the currency of Germany.**

The process creating this situation is permitting them to buy bonds and give in exchange printing-press money. They will, in the course of a year or two, be compelled to take over probably all the bonds now held by the banks of the country, and perhaps the bonds that are also held at this time by the public. Do you know what this would mean? It would mean, if carried to its full conclusion, that the Federal Reserve Banks would own $35-billions in bonds and, therefore, would be circulating throughout the country $35-billions in additional paper money.

Nation Must Balance Budget

Do not delay the evil day if you expect to save the nation and preserve our form of government, because if we ever go through the period of currency inflation as is in prospect now, our republican form of government is gone and we must resort to Fascism or a dictatorship to preserve any semblance of law and order.

You ask how? My answer is to quit spending more money than we are receiving or to increase taxes to an amount equal to what we spend. In other words, balance the federal budget.

How Long Can a Nation Continue to Fool Itself?

The Democratic party won the election in 1936 on the campaign argument that the depression was over. But a great part, if not all, of our so-called recovery has been brought about by the **public expenditure of money.**

In the last fiscal year the United States government collected $4,115,956,615.13 and spent $8,879,798,257.61.

It will be noted that our deficit was more than $4½-billion.

We have increased the public debt, since this administration took office, from $16-billion to over $35-billions.

For the current fiscal year, which will end June 30, receipts will be at least $500-million less than estimated. Expenditures will exceed $9-billion. This will mean another deficit of at least $4-billion!

By reference to the accompanying table of receipts and grants to states, it will be seen that we collected a little more than $4-billion, and being very generous, we distributed to the states more than $2-billion, and did not have enough by $4½-billion to pay the expenses of our government.

Twenty-four planned projects call for a further expenditure of $16-billion.

The accumulating deficit which we are now creating must some day be paid by the taxpayers of the United States or the **debts will have to be repudiated.**

What States Paid--and Got

STATE	RECEIPTS	GRANTS
Alabama	$ 6,397,780.05	$ 26,251,255.12
Alaska	443,790.44	2,629,493.78
Arizona	1,914,239.31	12,687,762.03
Arkansas	3,613,165.89	23,912,003.22
California	193,188,554.74	136,457,003.78
Colorado	16,816,561.37	30,787,489.35
Connecticut	48,248,506.20	23,646,086.94
Delaware	38,696,601.54	2,939,210.22
District of Columbia	17,322,929.33	9,943,647.74
Florida	30,080,135.24	21,330,528.23
Georgia	16,430,359.49	29,134,912.70
Hawaii	8,034,000.35	4,625,569.59
Idaho	2,073,694.19	10,028,600.37
Illinois	276,465,148.63	149,960,222.81
Indiana	71,116,598.39	55,721,271.84
Iowa	13,324,797.07	24,415,247.83
Kansas	11,989,654.15	27,043,494.26
Kentucky	95,773,965.54	26,429,355.91
Louisiana	26,852,916.46	26,384,354.48
Maine	8,044,798.45	8,546,864.57
Maryland	63,308,065.07	21,241,361.76
Massachusetts	112,326,068.03	95,617,697.32
Michigan	183,400,496.04	73,636,284.85
Minnesota	41,578,077.22	48,415,432.96
Mississippi	2,630,483.48	18,799,796.84
Missouri	78,225,246.98	53,468,066.49
Montana	4,449,831.79	17,019,871.01
Nebraska	9,405,675.89	23,170,211.15
Nevada	2,270,058.91	5,457,291.37
New Hampshire	4,227,689.27	5,969,996.96
New Jersey	147,119,087.76	63,575,327.52
New Mexico	1,184,845.65	12,435,393.32
New York	783,173,923.79	344,197,886.68
North Carolina	282,710,478.28	23,717,426.87
North Dakota	1,046,573.22	14,252,282.79
Ohio	189,524,560.24	146,912,456.36
Oklahoma	44,990,568.21	36,138,616.20
Oregon	7,070,448.71	18,917,260.89
Pennsylvania	302,376,636.25	189,492,591.59
Rhode Island	21,884,658.16	10,404,186.12
South Carolina	5,254,834.28	17,443,600.31
South Dakota	1,290,548.86	12,274,461.03
Tennessee	17,368,559.75	25,334,560.94
Texas	75,738,485.76	68,700,730.99
Utah	4,072,182.69	13,298,190.78
Vermont	2,713,303.52	4,666,829.94
Virginia	150,333,865.73	22,625,778.04
Washington	18,764,818.58	32,424,282.99
West Virginia	12,996,153.05	27,438,092.38
Wisconsin	58,056,702.36	52,260,374.58
Wyoming	1,713,199.57	7,548,646.36
Philippine Islands	1,271,791.22	244.00
Puerto Rico	902,123.85	11,982,218.98
Virgin Islands	None	239,277.57
Total	$3,520,208,381.09	$2,171,861,090.71
From Other Sources	595,748,234.04	
GRAND TOTAL	$4,115,956,615.13	

Searchlight on the Money Changers

WASHINGTON, D. C.—The Treasury Department plans to purchase (and, we assume, use) 1,016 tons of paper for printing currency, it was revealed when the department invited proposals for supplying paper for currency and public debt securities. The bland announcement concluded with the ironical statement: **"No estimate is made of the requirements for public debt securities."** The department must be planning a continuation of the borrowing. All you have to have is "distinctive paper," good ink, and a sucker public.

Despite the gathering storm over the precarious condition of the New Deal finances, Secretary Morgenthau recently made the statement publicly that he was "extremely comfortable and highly pleased" over the country's financial outlook. Mr. Morgenthau is supposed to be by nature quiet and shy, rarely speaking out of turn. "The easiest thing is to talk," he says, "the hard thing is not to talk."

The report persists that Marriner S. Eccles, governor of the Federal Reserve System, has serious intentions of resigning his present position because President Roosevelt failed to accept his recommendation for increased taxes now to balance the budget. Mr. Eccles is a financier. He forgets that a politician must play the politician's game.

Total Gold Stock Sets New High

NEW YORK, N. Y.—The Federal Reserve System's weekly report says the total gold stock is now $11-billion, 697-million—a record! This figure is over $1½-billion above the highest previous mark. And still the metal keeps pouring in. Why wouldn't it with the United States government paying $35 an ounce for the metal? No where else in the world is such an out-of-line purchase price in effect. And remember, it costs about $4 an ounce to mine.

You have probably noticed that all gold clears through London. You know why? Because the House of Rothschild are the exclusive gold agents of the Bank of England and they derive a nice juicy commission on every consignment that clears through London.

No Recovery Without Financial Reform

SOCIAL JUSTICE

Father Coughlin's Weekly Review

5c Per Copy

Volume III No. 19 | Royal Oak, Michigan | May 10, 1937

Thomas Bill Would Solve Only Part of Money Problem

Thomas Tells President of Money Plan

Hon. Elmer Thomas, United States Senator from Oklahoma, outstanding monetary authority of the United States Senate, on April 12, 1937, wrote the following letter to the President of the United States on behalf of his new monetary bill, which concerns itself with principle eight of social justice.

This letter should be studied, not in the light of a complete solution to the banking and monetary problems of the country but, rather, in the light of the **regulation and stabilization of the dollar so that debts may be payable in the kind of dollar in which they were contracted.**

Constitution Gives Power

Senator Thomas' letter was in full as follows:

"The Honorable Franklin D. Roosevelt
"The President
"The White House.
"My dear Mr. President:

"Notwithstanding the vast influence your monetary program has had on national recovery, there is still one problem which should be given consideration and, if possible, solved during your administration. The problem is that of the regulation and stabilization of the value of the dollar.

"I am suggesting the advisability of developing a formula for determining the value of the dollar. When the point of value is determined, then the dollar should be adjusted to such value, and, thereafter, the dollar, as regulated, should be stabilized.

"The Constitution provides that the Congress shall regulate the value of money, yet such provision has never been vitalized. It is obvious that Congress cannot directly manage so complicated and technical a matter; hence, no serious effort has ever been made to solve this most important problem.

Dollar Should Be Stabilized

"The value of the dollar controls prices, and prices control income and prosperity. The graph hereto attached shows the fluctuation of the value of the dollar since 1800. When the dollar goes up in value, prices fall, and when the dollar falls, prices rise. It must be admitted that the dollar may become too cheap and prices too high, as in 1919-1920, and also that the dollar may become too high and prices too low as in 1931-1932.

"There must be a point of dollar value between that of 1920 and 1932 which will serve the best interests of our people. Such value should be determined; then the dollar should be adjusted or regulated to that point, and then such dollar should be stabilized. This task can be accomplished.

"Benjamin Strong, Governor of the New York Federal Reserve Bank, dominated the Federal Reserve system from 1920 to the date of his death in 1928, and, during this period, he adjusted or regulated the value of the dollar from 64 cents in 1920 to 100 cents in 1922, and then stabilized such value without perceptible fluctuation during the remainder of his lifetime. Governor Strong's record can be duplicated.

"It is because of these generally accepted hypotheses that I prepared and introduced the attached bill, suggesting a plan for securing the kind of a dollar visualized in your note to the London Economic Conference, when you said:

"'Let me be frank in saying that the United States seeks the kind of dollar which a generation hence will have the same purchasing and debt-paying power as the dollar value we hope to attain in the near future.'

"Of course, the dollar should be valued to suit and to serve the best interests of our own people. The economic power of the United States, as evidenced by our balance of trade and by accumulated gold and silver, suggests that, when we adjust, regulate and stabilize the value of the dollar, we will not only adjust, regulate and stabilize the value of world commodities in the United States but such action will likewise tend toward the stabilization of prices throughout the world.

No Recovery Without Reform

"The crooked dollar and commodity lines shown one the graph hereto attached, if understood by the masses, would cause an immediate and persistent demand for action. There can be no peace among either farmers, wage earners, business men or investors until the dollar yardstick is adjusted, regulated and stabilized; likewise, until the dollar is regulated to that point which will permit of profits, producers will remain insolvent and the several governmental budgets will remain unbalanced.

"Under decisions of the courts, Congress may delegate its powers within fixed limitations to carry out stated policies. Of course, Congressional power may be delegated only to a Federal agency to carry out a Federal policy.

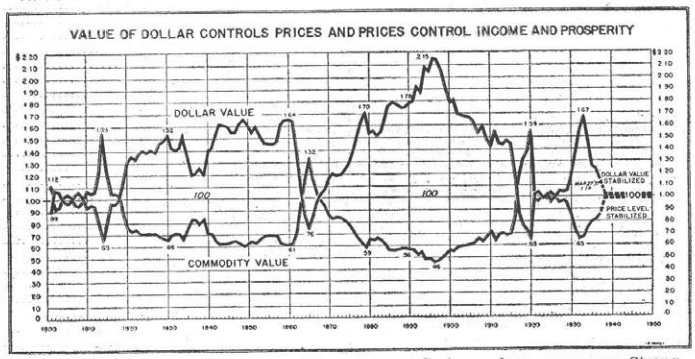
"The only agency which could adjust, regulate and stabilize the dollar value would be the tribunal directing and supervising our banking system. Money management must consist in control of reserve requirements, discount rates, credits and open market operations; hence, it is clear that the agency supervising our banking system must be the identical agency commissioned to manage and control the value of our money. The bill suggests that the Board of Governors of the Federal Reserve system be designated as a monetary authority for the express purpose of regulating the value of our money.

"The bill attached was prepared and is offered as the basis of a solution of the problem mentioned.

"Prior to asking for hearings on the bill, I should be pleased to have your reaction to the proposal and, if agreeable, I should be glad to discuss the matter with you personally.

"Respectfully submitted,
"Elmer Thomas."

EIGHTH PRINCIPLE OF SOCIAL JUSTICE—"One of the chief duties of this government-owned Central Bank is to maintain the cost of living on an even keel and arrange for the repayment of dollar debts with equal value dollars."



The accompanying graph charts 130 years of the history of the United States, showing the silly fluctuations of the dollar with attendant sufferings of a people stretching the slender income of labor and agriculture to meet varying demands of the necessities of life, clothing and shelter.

Note how stabilized the dollar was in the early years of the last century until, for example, the war of 1812 drove the commodities sky-high, only to fall from an average level of 1.55 to a low of .66.

Note this period between 1815, or the close of the war of 1812, and the beginning of the Civil War with commodity indices low and fluctuating and the dollar extremely high in its purchasing power.

Note the abrupt change of the Civil War period and then once more the drop in commodity levels until the period of the World War and then the period of stabilization when the admittedly strong hand of the president of the Federal Reserve System, whose name was Strong, kept commodities and the dollar stabilized on an even keel. Then picture commodities as shown in the chart dropping to new lows while the buying power of the dollar in the depression reached the highest point ever attained, except in a decade of the 90's.

The dotted line is an objective for which SOCIAL JUSTICE stands: The stabilized price level which can be attained—as it was for a time under the good management of President Strong of the Federal Reserve System. It can be attained again in Congress by mandate law and simply compel the stabilization of the price level by stabilizing the dollar.

This graph on Thursday, March 25, 1937, was displayed in the Senate chamber for the benefit of all the Senate of the United States assembled in regular session. **Out of the 96 Senators elected, only five listened to one of the really important expositions in our 148 years of Congressional speeches.**

Sole Aim Is to Stabilize U.S. Dollar

Following the edition of April 19, in which publicity was given to the Thomas Monetary Authority bill, many readers of SOCIAL JUSTICE wrote letters of protest over what appeared to be our advocacy of an incomplete remedy. Subsequent editions, giving equal publicity to other money bills, no doubt answer most of these protests.

They are answered further in the following paragraphs from a letter which Father Coughlin wrote to Senator Thomas, replying to an invitation that the social justice leader testify before a Senate hearing on the Thomas bill.

Step Not Enough

We quote Father Coughlin:

"Of course you know my stand on the matter of rectifying our money muddle. Thus, I congratulate you on having drawn up this bill to regulate the purchasing power of the dollar. I find no fault whatever in your advocating that Congress use as its monetary authority the members of the Federal Reserve Bank Board already appointed by the government to supervise the activities of the Federal Reserve Banks.

"While your bill is concerned almost totally with the regulation of money, it is concerned only indirectly with the creation of money. You do not advocate in your bill that Congress should issue, coin and create the money used by the people of the United States. . . .

"I appreciate, if I know your mind, that you are a believer in having the camel stick his nose under the tent before he tries to get his hump into the circus. (I think you were the originator of that metaphor.)

Must Go Whole Way

"Insofar, then, as you are an advocate of the policy of 'step-by-stepism.' I would be prone to support your bill. However, it would be a serious reversal on my part if I came out as a compromisor in this hour of national distress.

"Once more reiterating my approval of your proposal to regulate the American dollar, even through the Board of Governors of the Federal Reserve Bank who are appointees of the government, please bear with me if I am forced to take the position of demanding the nationalization of the Federal Reserve Bank with the result that Congress will CREATE money as well as regulate it."

11
R. O. PRINTING CO.
ROYAL OAK, MICH.